Daily Report

Latin America

FBIS-LAT-90-193
Thursday
4 October 1990

Daily Report
Latin America

FBIS-LAT-90-193 *4 October 1990*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

Castro Marks Blas Roca Contingent Anniversary *[Havana TV]* 1
New Cuban-Arab Friendship Leaders Announced *[Havana TV]* 6
Soviet, Czechoslovak Economic Difficulties Viewed *[Havana Radio]* 7
Fuel Conservation in Construction Outlined *[Havana TV]* 7
CTC Secretariat Discusses Union, Productivity *[Havana Radio]* 7
Membership in Health Organization Extolled *[Havana TV]* 8
Meeting With Mexican Fishery Officials Noted *[Havana TV]* 8
Statements Exchanged *[Havana Radio]* 8

Haiti

Presidential Candidates, Rival Parties Reviewed *[Port-au-Prince Radio]* 8

MEXICO

* Colosio, Salinas Survey Party Goals, Agenda 10
* Salinas Presented as Model *[LA JORNADA 2 Sep]* 10
*Salinas on Party Commitment *[EL DIA 4 Sep]* 13
Chilean President Aylwin Pays Official Visit *[Mexico City TV]* 17
Salinas, Uruguay's Lacalle Discuss Trade Issues *[Montevideo Radio]* 17

CENTRAL AMERICA

El Salvador

Defense Ministry: Terrorists Armed at University *[EL DIARIO DE HOY 1 Oct]* 18
Arena's Calderon Assesses Cristiani's UN Speech *[San Salvador Radio]* 18
Weekly Roundup of Government, FMLN Fighting *[Radio Venceremos]* 19

Honduras

Villanueva on Recent World Bank, IMF Meeting *[TIEMPO 2 Oct]* 19
Editorial Discusses Relations With Soviet Union *[LA TRIBUNA 2 Oct]* 20

Nicaragua

Government Issues Communique on FNT Agreement *[Managua Radio]* 20
FNT Agrees To Join National Dialogue *[Managua Radio]* 21
Cosep Communique Criticizes Sandinists *[Managua Radio]* 22
UNAG, Demobilized Contras To Form Armed Group *[BARRICADA 1 Oct]* 22
Eight Contras, Two Policemen Killed in Clashes *[Managua TV]* 23
Report on 1 Oct Protests in Various Cities *[BARRICADA 1 Oct]* 23

Panama

PCC Administrator on Panama's Future Canal Role *[Panama City TV]* 23
Further on Costa Rican Embassy 'Takeover' *[CRITICA LIBRE 2 Oct]* 24
* Regional Political Preferences Noted by Poll *[LA PRENSA 27 Aug]* 24

SOUTH AMERICA

Argentina

Menem's Activities, Meetings in U.S. Reported *[NOTICIAS ARGENTINAS]* 26
Second Stage of Pardons Promised by Year End *[NOTICIAS ARGENTINAS]* 27
President Menem To Visit PRC in November *[DYN]* 27
IMF Cancels $240-Million Loan Installment *[BUENOS AIRES HERALD 3 Oct]* 27
* 20 Percent Reduction in Federal Work Force *[LA PRENSA 15 Aug]* 27
* Menem's Strategy for 1991 Elections Analyzed *[LA PRENSA 26 Aug]* 28
* Menem Urged To Strengthen Economic Measures *[LA PRENSA 12 Aug]* 30

Bolivia

Government Guarantees U.S. Ambassador's Security *[DYN]* 31
Minister Fernandez on Security *[La Paz Radio]* 31
President Removes Army, Air Force Commanders *[Madrid EFE]* 31
Presence of U.S. Military in Tarija Rejected *[EL DIARIO 26 Sep]* 32
Police Chief Acquitted After Failing To Testify *[PRESENCIA 27 Sep]* 32
Details on Antidrug Operations in Santa Cruz *[PRESENCIA 28 Sep]* 32
Government To Request Increase in Tin Exports *[PRESENCIA 25 Sep]* 33

Brazil

193 Hostages Held in Baghdad Fly Home *[Rio de Janeiro TV]* 33
Ministry Protests Further Delays *[Rio de Janeiro TV]* 33
Group Wants Nuclear Sector Under Civil Control *[O GLOBO 30 Sep]* 34
Report on Environmental Effects *[O GLOBO 30 Sep]* 34
Coffee Accord Signed With Colombian Cooperatives *[Brasilia Radio]* 35
* Rising Prominence of BC Head Eris Observed *[VEJA 5 Sep]* 35

Chile

Hostages Held in Iraq Arrive in Jordan *[Santiago Radio]* 38
Hostages Linked to Bomb Project *[DYN]* 39
Aylwin Congratulates Kohl on German Reunification *[Santiago Radio]* 39
Aylwin To Attend Rio de Janeiro Group Meeting *[Madrid EFE]* 39
Consumer Price Index Highest Since Oct 1982 *[Santiago Radio]* 40
Cuban Official on Resumption of Relations *[EL MERCURIO 25 Sep]* 40

Colombia

Gaviria Comments on Meeting With Bush *[Bogota TV]* 40

Ecuador

Congress Dismisses Public Works Minister *[Quito Radio]* 40

Paraguay

Rodriguez on Attitude of Political Sectors *[ULTIMA HORA 2 Oct]* 41
Poll Shows Rodriguez Enjoying Strong Support *[ULTIMA HORA 27 Sep]* 41
Foreign Minister Returns From United Nations *[PATRIA 4 Oct]* 42
Military Sources Deny Arrest of Military Men *[ABC COLOR 3 Oct]* 42

Peru

Minister Says Guerrillas Will Not Lay Down Arms *[Madrid EFE]* 42
Church Willing to Sponsor Dialogue *[Lima TV]* 43
Minister Denies Possible Fuel Price Increase *[Lima TV]* 43
Soldier, Terrorist Die in Clash in Huancayo *[Madrid EFE]* 44
* Judicial Branch Corruption, Reform Discussed *[EXPRESO 20-21 Aug]* 44

Uruguay

Gulf Crisis Causes New Fuel Price Hike *[Madrid EFE]* 53
Lacalle Urges OAS To Help Bush Plan *[Madrid EFE]* 53

Venezuela

* Unemployment Figures Released *[EL UNIVERSAL 9 Aug]* 54

Suriname

Shankar Claims French Peace Plan 'Unworkable' *[Hilversum International]* 55

Cuba

Castro Marks Blas Roca Contingent Anniversary

FL0310170090 Havana Cuba Vision Network in Spanish 0145 GMT 3 Oct 90

[Speech by President Fidel Castro marking the third anniversary of the Blas Roca Contingent in Candelaria, Pinar del Rio Province on 1 October—recorded]

[Text] [Applause] [Castro clears his throat] Thank you. Comrades of the Blas Roca Contingent—I forgot—comrade guests invited from Havana and Pinar del Rio:

You didn't bring anyone in from Matanzas, did you? [Unidentified speaker: "No."] [laughter] Good, they are from those provinces.

This is an important day and it demonstrates how time passes. It also shows how much can be done if time is well used. It seems to me that the time has passed quickly from that 1 October 1987 when the contingent was created with one brigade. It was a test, a test in which we had confidence from the start but everything remained to be seen—how we would progress, how a force of construction workers could be developed under those principles.

We had many problems in construction, much disorganization, much unproductiveness, many delays. An effort was made to rectify all of that. One of those efforts was the idea of creating a contingent to truly see how much could be produced in a certain amount of time, with what kind of productivity, what kind of costs, and what kind of quality. So the first brigade was organized with 164 men.

From the start, we could see the results attained when people worked seriously, with discipline. The first brigade earned respect in a short time. It gave us the incentive to continue multiplying those forces and, thus, the second, third, fourth brigades, etc., were created until 30 brigades were created. More than 4,000 workers comprise the forces of the Blas Roca Contingent.

Every time we had to build a new brigade, a task, [corrects himself] an urgent task, an important project, we organized a new Blas Roca brigade. It is now a vigorous force with great prestige, not just in the capital, not just in Havana and Pinar del Rio, but throughout the entire country. We could say that the Blas Roca is a force that now even has international prestige.

A large number of delegations and visitors have visited the Blas Roca brigade. In addition to the enormous amount of work Palmero [Candido Palmero, head of the Blas Roca Contingent] and other cadres have done, I think we should add that the contingent has received dozens and dozens, and perhaps hundreds of delegations, different kinds of delegations, even Cuban ones, but primarily foreign delegations, and the visitors' admiration has been truly great. Sometimes people who manufactured equipment or some who had supplied us with equipment, such as bulldozers, came to visit us and when someone praised the bulldozer or someone praised the brand of bulldozer, they would say: Well, the bulldozers are of good quality but your operators are much better. That is when they confessed to us that they had a firm abroad, in another country, and each Blas Roca bulldozer operator did the work of two of their bulldozer operators. That was truly great praise because they were talking about a multinational firm, a very well-ordered firm, which recognized the fact that our workers were more productive.

Another time, other representatives came from a factory that makes the trucks we have here, and they asked how many hours of working life the trucks had, and they admitted that our trucks had an effective working life more than twice as same trucks in their country. So what you have been able to do has been recognized internationally, and is admired internationally.

The contingent demonstrated a lot of things, a lot of things. First of all, it demonstrated how one could produce way below the value of the peso, that is to say, how one could construct way below the price of those projects, or below the value assigned to those projects. They began to produce below 90, under 80, under 70, even under 60 [unit of measure not specified].

Look at the statistics Palmero gave today: In three years, the cost per peso of production was 73 centavos. The Blas Roca Contingent demonstrated that the cost of the projects could be reduced considerably and that the projects could be profitable, if we wanted them to be, or they could be costly. The economic cost of the work was very important.

The Blas Roca Contingent demonstrated how the equipment could be taken care of and how after two or three years, after the equipment had been operated many more hours than it was supposed to be, it was practically new. The Blas Roca showed us how we could save spare parts, how fuel could be conserved. The Blas Roca demonstrated how we could conserve all sorts of construction material. The Blas Roca demonstrated how we could multiply the productivity of construction workers, how we could double it or triple it. The Blas Roca demonstrated the importance of discipline and how discipline based on dignity, morality, and on mens' pride, the collective spirit of men, and the discipline established by the collective could be established. It completely distanced itself from the paternalistic, wordy, and, we could even say, over-regulated norms of labor discipline in our country. It was the collective of workers that interpreted and applied discipline with a morality, an authority, that even made the ones being disciplined admit to the fairness of their decisions, regardless of what the decision was. This greatly h. ed to improve the situation of the men. It helped the youths a lot, too.

That collective became a school. If a youth goes to a collective and all he sees are bad examples, the most likely thing that will happen is that he will get a distorted

view, but when a youth joins the collective of workers and he sees the kinds of examples that the first brigade and the other Blas Roca brigades gave, then that man becomes educated in a truly revolutionary way, in a truly proletariat way.

The Blas Roca contingent demonstrated the importance of attention to man. From the moment that this became one of the fundamental principles and pillars of the contingent, it demonstrated how important attention to man is, the importance of attention to the conditions of the workers' material life, their comfort, rest, food. It has become a standard, a principle to give the worker whatever we can give him under any circumstance, to make him feel like he is being taken care of, to make him feel like his health is being cared for, that his health is guaranteed, to make him feel that his health is improving even though he works a lot. I think that the Blas Roca has demonstrated, among other things, that work does not affect health.

Every once in a while.... [changes thought] I want to tell you right away that there are a few people around who have gained some weight. [laughter] I don't want to look around too much. I know that the cadres' work is tense and sometimes one forgets about his diet and perhaps eats more calories than necessary. That is one of the problems, but I think that the contingent doctors will fight to maintain the waistlines of the workers and I think that if one does not eat an excessive amount of fat, we could improve everyone's health right away. [applause]

The contingent demonstrated the importance of moral incentives. In an entire system for the recognition of the merits of each worker before the group, before his neighbors, and before his family, the contingent was able to create a family feeling throughout the workers collective.

In that contingent, it has also been demonstrated that we were right in the position that we adopted when some workers were saying: We do not want extra hours. We do not want this; we do not want that. I said: Why? After all, you are not going to have extra hours, because neither the ninth, nor the tenth, nor the 11th or 12th hour are going to be extra hours, if you already have them in the working schedule. Nor will the 13th, or 14th, or 15th hour. I said that as long as we could, if there was no need, we should not sacrifice the workers, and that the norm in the contingent was to work with a communist spirit and receive a socialist remuneration.

Even when the contingent began to work on other projects, it never made any demands or requests. In fact, on certain projects that we are building, a wage coefficient for the contingent based on the project that it was involved in, was established. It seemed, and continues to seem to us to be a fair formula, and one that we should apply until human society attains a higher phase—which would be communism.

An effort has also been made to achieve a social, national recognition of the contingent's work. Our press highlights the efforts of the contingent. Its works are known throughout the country, and they have great prestige nationwide. In fact, when one wants to describe a way of working seriously and intensely, one says: To work with a contingent spirit. Sometimes one says to work with a Blas Roca spirit.

The fact is that we no longer have just one contingent. The country now has over 60 contingents. Some of them have a single brigade, or two or three, just as you did when you started. Now, over 35,000 men are working as members of contingents throughout the country. It is a considerable force, and perhaps one of the greatest satisfactions that we can have on a day like today is to know that the example of the Blas Roca Contingent has been multiplied by 10 and by 20 and by 100, and that for each man who was a member of that first brigade, today there are 300 working [applause], or at least almost 300, at least 250 working in contingents. That has to be a motive of satisfaction for all of you, especially for those who were the pioneers.

Of course, we intended to continue along that course, but we have been obliged to adopt new measures. We have been forced to face a new situation. We have been obliged to take into account circumstances that are leading us—and have partially already placed us—in a special period. With regard to the contingent, and with regard to all the country's construction sectors, we have had to establish a number priorities that reflect the special period, that correspond to the program that we explained on 28 September at the ceremony to mark the 30th anniversary of the CDR [Committees for the Defense of the Revolution].

That is why we are here today. It was believed that these forces would be building the dual track railroad to Pinar del Rio, and of course, that railroad was necessary in normal times, as the economy expanded, and new needs emerged for the population and the economy, from the viewpoint that it would be necessary to transfer tens of thousands, and hundreds of thousands of cubic meters of stone from the Pinar del Rio quarry to the capital to keep up with the growth of transportation. In the the new situation, we saw clearly that for the time being, it was advisable to stop construction at Artemisa, to use the stretch of fairly good railway that exists between Artemisa and San Cristobal, and rebuild [corrects himself], or rather, to build a stretch of track between San Cristobal and Pinar del Rio, a task that has been assigned to the Pinares Contingent, because one track is more than enough. The existing one is in poor condition. It is not to our advantage in a special period, so we are going to [15-second break in reception] track, but not two tracks. In these circumstances, it is no longer necessary. In these circumstances, we are transferring the Blas Roca forces to all the priority tasks of the special period.

Because the water management program is among the priority tasks, although it already had a large number of

workers, since we are now intensifying the effort, we decided to transfer some of the brigades from the railroad to this sector. The brigade that is on the Mariel project remains, because the Mariel project is advantageous under any circumstances, and we will now build two dams here in Pinar del Rio, a center with 20 tanks for hatching alevins, and a canal. I understand that five brigades have been transferred to this activity.

As I said, this includes two dams: This one, which we are going to build here where we are today—I believe we are more or less at the axis of the retaining wall—which will hold 30 million cubic meters, and the Combate de Rio Hondo Dam, a name which calls to mind the heroic struggles of Maceo, which will hold 20 million. Therefore, at Rio Hondo—the site of the feat mentioned by comrade Fidel Ramos [party first secretary in Pinar del Rio Province], of the (Fisono) fighters that attacked without weapons—the river will be even deeper when we have a dam there that holds 20 million cubic meters of water. Those 50 million cubic meters of water will be used for irrigating the sugarcane of two important sugar mills, the two largest ones in the province: The Jose Marti, and the 30 de Noviembre. That water will allow us to produce some 30 or 40 million more tons of sugar. That water will be used to produce tubers and vegetables, and will also be used for rice, because in this area, rice and sugarcane compete with each other for water.

We might have to build a dam toward the east. Studies are being made of the San Juan River. Therefore, these are very important projects of the food program that the Blas Roca Contingent is beginning to carry out here.

In Havana, we are also transferring the Blas Roca Contingent to some priority projects. Alevin centers will also be built there. In addition, a hotel is being built as a priority task, as well as a biological products center, a priority project in the special period. Some schools that were under construction will be completed. Of course, the construction of cold storage plants will be continued. They are projects of great importance in all circumstances. And of course, some road projects that were underway will be completed. In this way, we will devote this formidable, highly organized, and highly productive force to the tasks that are of greatest interest to us at this time.

We are doing something similar with the contingents in the other parts of our country. It is of great advantage to have projects being carried out by organized forces, because we can operate truly like an armored division, which is what the Blas Roca Contingent is today, when one considers that it has 1,400 machines. It is like an army that is on the move: One battalion here, another one there, one tank platoon over here, or the entire division advancing in one direction. It is appropriate to say that the Blas Roca Contingent is like an armored division on the offensive, and it has to act with the discipline of an army, and the efficiency of a good army. That is how we see it today.

Four weeks ago, no one imagined that we would be here, on the banks of the Bayates River, building a dam. But it is a good example of how everything changes, and how one can go from one circumstance to another.

There is a new element of momentous importance here today. In this case, the idea came from comrade Palmero himself, from within the contingent. They heard of the plans for the construction of housing accommodations, of the agricultural plans in Havana Province. The contingent itself was involved in the earth-moving activities at several of the 50, or we could say 60 camps that we propose to build in Havana Province. They suggested that we allow them to organize a brigade from the contingent to work in agriculture.

I thought it was an excellent idea. I immediately began to think of where we could put them to work, where the discipline and organization of the contingent would be most effective. I said: In the plantain fields that have microjet irrigation, and, moreover, in fields that have aerial microjets which are the most productive and which require the most discipline and accuracy. We immediately asked the agricultural sector to find them an entire lot. There was a farm with a lot, but not a complete lot. I wanted the lot to be worked. We said: Look for 50 caballerias to be built and planted with plantains with the aerial microjet irrigation system.

Within 24 hours, the agricultural sector had already found an area—in less than 24 hours—in the Guines area. [applause] However, at the site there were already 15 caballerias with another microjet system, and a very good one. I said: Well, we will add them on. We did not subtract them; we added them, the 15 to the 50. We will have both systems there.

The first steps were taken immediately. The camp area was chosen. I believe that construction of the camp has already begun. This is added to a program for the province, to the construction of other camps, as I already mentioned, where we are trying to create the best conditions for the workers.

Palmero visited Ciego de Avila Province, where there are seven caballerias with the aerial microjet system. He was surprised, as was Russo [not further identified] and other comrades, by what they saw there. He said: That is a plantain factory. He brought a documentary on how it functions. The microjet plan is a veritable river of plantains, a plantain waterfall.

Of course, in our country, there could be hurricanes. We have been carefully studying what happens if a hurricane comes, or what comes if a hurricane happens. [laughter] And what should we do? What will the hurricane destroy, and how long will it take us to rebuild a caballeria? Well, unfortunately, a hurricane destroys everything, because it splits the yucca; it bends down the sugarcane; it does all kinds of damage; it leaves dairies without roofs; it squashes agricultural storage areas. In sum, unfortunately, we know quite well what a hurricane

entails. But we cannot begin by thinking of hurricanes when we are going to do something.

However, the hurricane will not be able to destroy the fields. It downs the trees, but the roots are there and so are the shoots that make it possible for new plants to be born immediately. We will see how much concrete it can destroy. It will undoubtedly wipe out the hoses and the microjets, but we must know our capacity for making hoses and microjet rapidly, and know how long it would take us to replace them. We have even thought of our tactics in the event of a hurricane.

Of course, if it passes through Havana, other provinces will have to send money for some months. That is why we want to distribute this highly productive system all over the island. We want to distribute it throughout Havana itself, beginning the various plantain fields close to Artemisa and ending them close to Matanzas.

Now, the idea of a contingent for plantains has already multiplied, because immediately the contingents of the MICONS [Ministry of Construction] asked to be allowed to organize another brigade. The youths have spoken of organizing another brigade. The CTC [Cuban Workers Federation] has spoken of organizing another plantain brigade. Very good. We are happy, because such permanent forces are better. Well, we are already thinking that the 500 caballerias of plantain that have microjet systems in Havana Province should be handled by brigades organized as contingents. Now we will see communist discipline and the communist working spirit applied to plantains. We will see it, as we have seen it in construction.

We have to say that the Blas Roca Contingent had an extraordinary influence, by its example, on the improvement of construction work in the country. Its influence has been felt by all forces, by many which aspire to be contingents, and by all others. After a man sees another doing something, he will not accept that he is incapable of doing the same. Therefore, the moral example of the contingent has been multiplied, and it has done the country a great service.

That is why we are very happy to see the organization of the first agricultural contingent. I am sure that it will be very successful. Now we will know what a man can produce in a plantain field with aerial or surface microjets. I believe that this complements the idea of revolutionizing agriculture. You can see how much work we are doing in agriculture. There are other products that are more difficult to mechanize, and that are not mechanized. Well, the shipment of the plantains is also by a kind of air shuttle [ferrocarril aereo], a little horse [un caballito] that carries 20 or 25 bunches. A tractor cannot go into a caballeria that has the aerial microjet system.

The system is very productive, and it also greatly increases man's productivity, because a hectare that produces 20 tons is not the same as a hectare that produces 100 tons. Thus, costs are reduced and productivity is increased. Productivity per hectare increases greatly also. Productivity per cubic meter of water used increases. Productivity per amount of fuel used increases. Everything increases when a new and revolutionary technique is applied. Productivity per man and per hectare increase above all.

I have no doubt that the area of plantains with microjets worked by the Blas Roca will become a kind of country fair that many people will visit. Of course, we will not be able to ask them to give us a hand with the plantains, because that will be so organized that there will never be a single weed, [applause] because after the plantains grow, after the plant is covered with leaves...[changes thought] We are also thinking of what we can do with the trunk, with the shoots, whether they can be used to feed cattle and pigs. We are considering all those things.

Now you can see that for every seven and one-half caballerias, a processing shed is needed. Therefore, in the aerial microjet area, you will have about seven, plus the other two, something like nine—between eight and 10—processing centers, unless somebody comes up with some other, more efficient idea.

And it is perfectly possible for women to work in the processing centers. It will not be necessary to carry the somewhat heavy bunches. They weigh a minimum of 70 pounds, and can go to as much as 80 or 90. One does not have to walk too far, but some walking is always necessary. The work in the processing centers is accessible to women, so the plantain brigade will include both men and women. Of course, not everywhere will we be able to have a complete, compact plantation of 50 caballerias. Some will have 30; others 20. We are considering how to organize this. There will have to be at least 15 brigades. I imagine it will require at least some 15 lots. We will have to see if we make a matching camp. If one of these brigades—in the event that there is a camp—does not get a large lot, we can include other areas, so that, in addition to plantains, they can have other areas planted with tubers and vegetables. The idea was to create them for plantains, but if we make a camp, we are not going to build camps that are adjusted for the size of each plantain lot. There may be some lots that are 15 or 20 caballerias less than the 50 caballerias, but we can plant other crops on them.

Thus, one day, the number of brigades may reach 14 or 15, consisting of some 4,000 men, formed into contingents. This will greatly help agriculture in Havana and reduce the number of shuttled workers. One must see that one permanent worker is equivalent to some eight or 10 men who are shuttled twice a year for 15, 20, or 21 days. This will contribute greatly to agriculture in Havana, and I believe that on giving banners today to the first agricultural brigade of the Blas Roca Contingent, we are doing something that is truly historic. We will see.

Next year, we will have to talk about this, and the head of the contingent [corrects himself] of the brigade will have to stand here and tell us its story: How many caballerias it has planted, how everything is going, and

how much it is going to produce, because those 65 caballerias alone will produce more plantains than are currently produced in all Havana Province. Fourteen brigades have been established, seven of them from Pinar del Rio. We have given banners to brigades for sugarcane plot draining, brigades for the rice engineering system—we have three of them here in Pinar del Rio—a brigade to build tourist projects, and a brigade to build causeways for tourism. These are all priority projects in the special period.

I believe that this ceremony has been a source of satisfaction for us all, as well as a source of optimism and enthusiasm. I have been very pleased to see all these heads of brigade come to receive their banners. Even nature has been generous, with a breeze like the air conditioning that you have in the camps. And well, I remember the times in the past three years when I have visited the contingent, or rather, I visited... [changes thought] It is no longer possible to visit the contingent.

It is difficult to visit a contingent that is in 30 different places. We have visited the contingent's brigades. [Palmero: "More than 170 times."] I think that Palmero has the figures. He says that it has been more than 170 times, that's counting the visit I am making here today. [laughter] He's also counting today's visit. [Castro chuckles] [applause] He tells me that I've made more than 170 visits. I have followed this experience closely. I have followed this work closely, and I think it is one of the best things that has been done in this country during the rectification process. We are showing what socialism can do. We are showing what communism can really do. And everyone will see in those 605 caballerias that this can only be done with socialist agriculture.

All these plans for dams and large canals, plot drainage for sugarcane, the engineering system for rice, large areas of plantain with microjet [irrigation]—this can only be done with socialist agriculture. If you divided that into 700 little farms of one hectare of plantains, you can imagine what it would be like to bring water to 700 different places.

You can imagine the processing of those plantains, because they would have to be loaded onto a truck to be taken to a processing center. Here, they are not loaded onto anything. Here the branches are cut and hung in the air, on the aerial belt. The plantains do not lie on anything. They do not have to be transported on carts or trucks with the aerial belt. With the surface belt they have to be carried for a short ways in a cart that takes them through some streets. The plantains are not damaged at all; they are not spoiled in the least. When they arrive at the processing plant, the bunches are cut off and put in water. Then they box them and the fruit is not damaged at all.

This kind of productivity and work that is so productive is only possible with socialist agriculture. And the same can be said about sugarcane, rice, and the vast majority of crops. Only socialist agriculture makes it possible to build a system of dams and canals and irrigation as the country is doing.

Of course, we still have independent farmers and we respect them and help them and we bring them water whenever we can. When we can apply technology, we do so, but this technology can only be applied in large areas. It can only be applied in state enterprises and cooperatives. It is impossible to install it in small plantations or on small parcels.

You can see for yourselves how much socialist agriculture can accomplish when the appropriate concepts are applied, when organizational tasks are done well, when the work is done well, when there is discipline, when attention is paid to man, when the man is given incentives. I think, Palmero that the wages earned by the plantain brigade that uses the microjet system will be higher even than the income earned by those who work on the construction of hotels for tourism; they are the ones that have the highest income. That is a colossal productive feat and it allows the worker to be paid more.

I think that you will all be happy that this idea was also extended to agriculture. I have not mentioned that this idea has been extended to industry and that there is a construction materials factory in the capital that is enormously productive. One shift does the work of two. It is the most productive factory in the country. If this idea could be applied in certain industries, it could have enormous possibilities and it shows us all the revolutionary substance of the idea of the contingents.

We have listened to Comrade Palmero here who has given us very interesting statistics, spoken to us in very simple, clear terms on what the contingent has worked on during these past few years and I hope that our press can report all those statistics. We have also listened to the words of Comrade Fidel Ramos, words of recognition for the contingent, which express the satisfaction of the people of Pinar del Rio who are happy to have them here. I also know that the comrades of Havana Province are very satisfied that the contingent is working there, too. This contingent began in the capital and it is now working in three provinces. We are pleased with all of Fidel Ramos' remarks, ideas, and concepts on how the province is working and continues to be willing to work and we are very happy that the production of tubers and vegetables continues to grow and grow because we must give Fidel's contingent tubers and vegetables, fresh vegetables when we have them, tubers, everything. [applause]

They receive a certain amount of supplies but it would please them very much to receive tubers and vegetables here, anything additional [interrupted by laughter] that the province would like to give them. I think there is a cattle processing center around here. Milk and things like that are always an incentive to them.

We'll have to talk about how many caballerias of plantains you'll work on. You told me it would be 50

caballerias. I don't know how many are available because I am a fan of the strategic distribution of these plantations. As you have heard, and I recently spoke about this, more than 300 caballerias of tomatoes are planted in this province to send to the capital. There is also some industry in the province, but that is aside from what they do. The western part also supplies pastas and tomatoes to send to other provinces throughout the country. They are also building a number of camps to rotate with the rice crop. They will plant 370 caballerias of tomatoes. If we win the battle of the white fly with the biological measures we are applying with some very sophisticated products, there will be no reason we can't harvest at least 5,000 quintals of tomatoes per caballeria in that plantation.

I heard you speak of production in 1988, 1989, and 1990, but I haven't heard you speak of production for 1991. I imagine that in 1991, with this superficial increase of.... [unidentified speaker, interrupting: "Production will be 4.2 million quintals."] How much? [Speaker: "Production will be 4.2 million quintals."] Production will be 4.2 million quintals. What is the population of the province? [Speaker: "It is 690,000."] It is almost 700,000. That makes six quintals per capita. Of course, you won't eat it all here. [Castro chuckles] It will help your neighbors in Havana, as long as the neighbors work. [laughter] The neighbors will work, the Havana Province farmers will work. [applause] Very good.

We have to analyze this so that we can increase the number of caballerias for plantains here because of these reasons. I imagine you have the potential to increase it and it is also a crop in which men are very productive. There are no more than five men per caballeria, which I think allows you more. It is a province that is growing. It has a lot of people even though some went to Havana, although more people have gone to Havana from the eastern part of the country. [laughter]

Now that there is a magnificent highway.... [changes thought] They were going to have a dual-lane highway, and they will have it in the future. It will go to Artemisa. Alongside it, we will build another highway later. We hope that we are so close to Havana that we can consider the city of Pinar del Rio as a kind of suburb of the capital. It takes just over an hour to get there. It is no more than two hours away. It used to take more than three hours to get to the capital driving on that curvy and bumpy road and now you can get there in less than two hours, in an hour and 20, 25, 30, or 35 minutes. You can get there very quickly now on the train, too. With the social programs that are underway in the province, we hope that the people of Pinar del Rio, who now, instead of being the princess [corrects himself], instead of being Cinderella, will be the princess and will forget about going to the capital.

There are a lot of headaches in the capital. Ramos, you can explain it to the people of Pinar del Rio here. [laughter, applause] There is enough water here to drown yourselves 20 times a day. Sometimes the people of Havana have to wait to get water from the pipes and things like that. I forgot when they said that they wanted to go to Cuyaguateje. There is a large river in Cuyaguateje. There is a large river there, a lot of water, and we can build a dam of 280 million cubic meters. I wish the Cuyaguateje was here because we need the water more here than we do over there because the large rice fields are south of the mountain range here. However, there are important citrus, tobacco, and fruit, plantations that have water. One of the advantages of that dam is that with a small amount of land, we can accumulate 280 million cubic meters of water. I think that we need about 1.8 million [unit of measure not specified] here That is what we need here in the Bayates II area, 1.8 million. For 30 million cubic meters of water with 1.8 million there, we were able to attain almost 300 million cubic meters. [sentence as heard].

That dam is very attractive. We have made projections for it. We have to study well the use of water, everything we would do, the economic analysis, the farming of fish. The people want you to build it. There are other brigades building dams and they have worked well. They have to build small dams like this one. Perhaps we will become enthusiastic and when we finish here we will go to Cuyaguateje. [applause] We'll see. It is a good thing. We propose to finish it during this dry season. We want to raise the curtain as much as possible to hold water. I hope that by this time next year we will be containing water and farming fish here. We will bring in alevins from the tanks that you are building in San Cristobal so that we can breed them here to. We will use all these dams to produce food. All this can happen next year. I'm sure that this dam will have water. I'm not sure we'll have the Cuyaguateje dam but it is not impossible.

For the people of Pinar del Rio this has also been a big holiday and a day full of great hopes. It has been a very satisfying day for us to recall the innumerable times that I have been with the contingent's workers and I have seen them there disciplined, efficient, productive, and working with quality like soldiers at the foot of the canon. I join everyone's joy, friends, and I join the recognition everyone has given the contingent. I join in everyone's admiration and add my congratulations to the ones you have justly received today.

Socialism or death! Fatherland or death, we will win!

New Cuban-Arab Friendship Leaders Announced

FL0410005590 Havana Television Service in Spanish 0000 GMT 4 Oct 90

[Text]The new leadership of the Cuban-Arab Friendship Association was announced in Havana this afternoon. Rene Rodriguez, president of the Cuban Institute of Friendship with the Peoples, was in charge of the presentation. Dr. Rodrigo Alvarez Cambras, a member of the Central Committee and director of the Frank Pais Hospital, was appointed president. INDER [National Institute for Sports, Physical Education, and Recreation] Vice President Alberto Juantorena, Dr. Maria Dolores

Ortiz, Gustavo Robreno, Dr. Gaspar Jorge Garcia Gallo, ICRT [Cuban Institute of Radio and Television] President Enrique Roman, Miguel Enriquez Hospital Director Dr. Francisco Caballero, and Moncada combatant Lester Rodriguez were appointed vice presidents. Eighteen other comrades were named members of the association.

[Begin Alvarez Cambras recording] We intend to strengthen this work. I think that one way of strengthening it is to support especially the struggle of the Palestinian people, the anti-Zionist struggle, and work with all those peoples who are fighting against imperialism and Zionism, and have closer ties, a closer friendship. At this historic time for humanity, Cuba and the Arab countries should strengthen their relations even more. [end recording]

Soviet, Czechoslovak Economic Difficulties Viewed

FL0310185090 Havana Radio Rebelde Network in Spanish 1700 GMT 3 Oct 90

[Station commentary]

[Text] In the last few hours, the Soviet newspaper IZVESTIYA published an interview with the former USSR Chemical and Petroleum Refining Industry minister in which he admits he had to resign to his post because it is impossible to direct it in the middle of the irregularities triggered by the transfer to a market economy.

Currently, 700 enterprises related to this area of the economy comprise the basic Soviet oil system which, in the opinion of the former minister, now respond—most of the time—to local interests that go beyond the power of the central government.

Today, a news dispatch released in Prague reports that Czechoslovakia fears it may suffer an economic collapse because of what it called uncertainty in Soviet oil deliveries. Soviet crude is a key factor for the development of that country which is immersed in changes toward a market system. This makes things even worse. Czechoslovakia currently needs a little over 16 million tons of oil a year to maintain its current production levels. This country reported that in order to deal with the situation it will tap the oil pipe known as (Adria). This resource will only be able to provide 5 million tons of oil a year leaving a deficit of over 11 million tons.

The USSR is going through difficult economic times and its economic system faces the most significant change in 70 years. Undoubtedly, it is a traumatic transition.

Regarding the signs of a storm in Czechoslovakia, the situation will be aggravated when—following the same model—prices are freed and anarchy becomes the order of the day.

Fuel Conservation in Construction Outlined

FL0310182790 Havana Tele Rebelde Network in Spanish 1700 GMT3 Oct 90

[Text] The construction material industry has taken a set of measures to save fuel in line with the country fuel conservation efforts. Efforts are being made to use national crude in the cement production industry that uses wet procedures [cuyos procesos son humedos]. Cuban oil is going to be used in the 26 July cement factory in Nuevitas. Preliminary steps are being taken, together with the Basic Industry Ministry, to use Yacimientos de Jaruco crude in the Martires de Artemisa cement enterprise. Plans are also being made to burn our crude in the Jose Merceron factory in Santiago de Cuba.

On the other hand, the use of other fuels such as tar, anthracite, and turfis is being studied. In the rest of the construction material industry, the production levels will be reduced according to their needs (?based) on the investment level of the second half of the year.

CTC Secretariat Discusses Union, Productivity

FL0310133290 Havana Radio Rebelde Network in Spanish 2323 GMT 2 Oct 90

[From the "Exclusivo" program, by Jose Arteaga Navarro]

[Text] "Exclusivo" attended the meeting of the National Secretariat of the Cuban Workers Federation [CTC], at which significant topics were matters related to emulation, and the CTC's organizational structures.

Emulation must be spontaneous, and it should arise within the workers' groups, Pedro Ross, CTC secretary general, said in commenting on the new methods that are to be applied in the area of emulation. The top leader of the workers said in talking with the national leaders that emulation must be adapted to the characteristics of each sector. As an example, he cited the sugar sector, which he said should carry out its emulation efforts beginning when the harvest begins, until it is completed. We cannot base the entire emulation system on an annual calendar, Pedro Ross said.

Another topic discussed at the meeting were the (?symbols) used in the emulation process, which should not always be a flag, but could be ceramic, wood, or glass objects, so as to save on textiles. The rationale [racionalidad] of labor leaders was discussed, using as a basis the premise that the CTC is organized by branch and by territory. It was stated emphatically that it is necessary to establish a structure that reaches the worker, and make the existing labor union structures nationwide more efficient.

The ideas and concepts of Lazaro Pena, the deceased champion of the working, will be applied, Pedro Ross said, in commenting on the studies that will be carried out regarding labor union structures.

Before the CTC meeting was concluded, it was reported that two contingents will soon be established in Havana City and Havana, to be named for Lazaro Pena and Jesus Menendez, respectively, and will function on plantations where plantains and other crops are grown. The main labor force of two contingents will consist of labor leaders from streamlined organizations and other workers who volunteer to become involved in this effort. Each contingent will be assigned 50 caballerias of plantains and other crops. They will work 12 hours a day, with payment as established for the respective contingent.

Membership in Health Organization Extolled

FL0310133090 Havana Tele Rebelde Network in Spanish 1100 GMT 3 Oct 90

[Text] Cuba's election to the executive committee of the Pan-American Health Organization [PAHO] was due to its seriousness and presitge, as well as the island's health indexes. This was said in Mexico City today by Jorge Antelo, Cuban public health vice minister. Antelo headed the Cuban delegation that attended the 23d Pan-American health conference sponsored by the PAHO which ended in Washington recently.

The report, presented by Cuba to the 37 countries of the continent that attended the event, summarizes our health achievements in the last four years such as infant mortality and life expectancy rates and the presence of one doctor per 270 inhabitants.

Meeting With Mexican Fishery Officials Noted

FL0310125590 Havana Tele Rebelde Network in Spanish 1100 GMT 3 Oct 90

[Text] Maria de los Angeles Moreno, secretary of fisheries of Mexico, has stated that her country pays special attention to Cuba because of the well-known historic and cultural ties that link the two countries. This was said by the secretary during the opening of the 15th meeting of fisheries officials of the two countries. Cuban Fish Industry Minister Jorge Fernandez Cuervo is attending the meeting. The Mexican secretary added that the cooperation balance indicates that our countries have benefited from the various technological and scientific experiences. For his part, Fernandez Cuervo characterized the constantly growing Mexican-Cuban ties as indestructible.

Statements Exchanged

FL0310122990 Havana Radio Rebelde Network in Spanish 2315 GMT 3 Oct 90

[From the "Exclusivo" program]

[Text] Mexico will pay special attention to Cuba, in view of the acknowledged historical and cultural links that exist between the two countries, Mexican Secretary of Fisheries Maria de los Angeles Moreno said in Mexico City upon inaugurating the 15th meeting of fishing authorities of the two countries.

The secretary said that Mexican-Cuban cooperation is an indication that the two nations have benefited from their various technological and scientific experiences with a high degree of completion of their projects. She added that an intergovernmental commission has used fishing activities as a starting point for seeking new forms of cooperation.

Jorge Fernandez Cuervo, Cuban minister of the fishing industry, said that the links between Mexico and Cuba are indestructible and are continuously being strengthened. He said that cooperation in the fishing industry has been an important part of those links.

Haiti

Presidential Candidates, Rival Parties Reviewed

FL0310190090 Port-au-Prince Radio Nationale in Creole 1300 GMT 2 Oct 90

["Excerpts" of "Life of the Political Parties" program, hosted by Jean-Marie Ferari—live]

[Excerpts] [passage omitted] [Announcer] We are going to provide you with a list of political parties that intend to declare, publicly and officially, that they will participate in the 16 December elections. We invite you to listen to Jean-Marie Ferari's "Life of the Political Parties." [passage omitted]

[Ferari] Officially, there are six or seven political parties that say they are going to run in the elections, including some that previously stated they would not do so under the government of Mrs. Ertha Pascal Trouillot.

First of all, we can definitely confirm the participation of the National Alliance For Democracy and Progress [ANDP], made up of three parties: The Nationalistic and Progressive Revolutionary Party of Haiti, the Movement for the Establishment of Democracy in Haiti, and the National Patriotic Movement of 28 November. [passage omitted] ANDP says it [as heard] must hurry up, and that it has always intended to take part in the elections.

Next, we find Louis Dejoie II, leader of the National Agricultural and Industrialist Party, who announces his intention to register for the elections. [passage omitted]

[Announcer] As this political leader had previously required resignation of the current government as a prerequisite to his participation in the elections, many people were amazed at his public declaration yesterday that his party is going to run. [passage omitted]

[Ferari] Lawyer Gregoire Eugene, who has criticized the electoral law for its bias toward the rich, now states that he is going to run in the elections, that the polling date is acceptable to him, and that he is going to manage his own campaign.

A newcomer to the political scene, a newcomer in the political class, is Mrs. Colette Jacques, who has declared herself as a presidential candidate.

[Announcer] Is she an independent candidate?

[Ferari] Yes, she is an independent candidate. Though she did say that she is a presidential candidate, we do not yet know under what banner.

[Announcer] There is also Lesly Maximillien, who has created a new political party, the Patriotic League For Haitian Renewal [LIPARE]. Maximillien himself confirmed that he is going to run in the elections.

[Ferari] We find Dr. Volvick Remy Joseph, former public health minister of Jean-Claude Duvalier, leader of the National Cooperative Action Movement....

[Announcer interrupting] ...who also criticized the electoral law of the Provisional Electoral Council.

[Ferari] Many people are wondering: Is Dr. Joseph the leader of the National Reconciliation? Many people are inclined to stick this label on him.

Then we find Reverend Sylvio C. Claude, leader of the Haitian Christian Democratic Party [PDCH], who said long time ago....

[Announcer interrupting] ...like ANDP, that things must be changed through elections.

[Ferari] Dr. Hubert de Ronceray, leader of Mobilization for National Development, who has had the same opinions as ANDP and PDCH on the elections, officially inaugurated his electoral campaign 19 September in Petit Goave.

The leader of the National Congress of Democratic Movements, Victor Benoit, has announced that he is going to run. Other declarations include those of Rockfeller Guerre, former deputy under the regime of Jean-Claude Duvalier, and leader of the Union of Democratic Patriots, who has announced the participation of his political party in the elections. [passage omitted].

Thus, as we can see, things have changed a bit for the time being. Many people have made statements. [passage omitted]

*** Colosio, Salinas Survey Party Goals, Agenda**

*** Salinas Presented as Model**

90CA0136A Mexico City LA JORNADA in Spanish
2 Sep 90 pp 14-15

[Text of address by Institutional Revolutionary Party (PRI) President Luis Donaldo Colosio, at 14th National Assembly of the PRI, 1 September, at Mexico City Sports Palace]

[Text] Friends, guests, members of the news media, fellow PRI members of Mexico:

It has now been more than 20 months since I assumed office as president of the Institutional Revolutionary Party, appointed by the National Council.

Today, speaking to the National Assembly of my party, I renew the most important commitment of my political life. Throughout these 20 months, the national PRI, including all of you, the rank and file, state leaders, our comrades from the National Committee, has closed ranks to face a period of great efforts for our party.

Our party has unquestionably played a central role in the process of change and our responsibility has been unavoidable. In this time of transformation, change, and reform, not only in Mexico, but throughout the world, we have been a party openly undergoing change, and although some are reluctant to admit it, the national PRI has worked whole-heartedly and with passion. We PRI members have done our utmost and the best we could for our cause.

We have suffered defeats that many had hoped would be triumphs, but we have also won victories, many victories, that others hoped would be our failures.

The end result, my fellow party members, is that our party is not declining. Rather, our organization is alive and well, ready to continue leading the transformation of Mexico.

Today, by expressing your confidence in the national PRI, you heighten our responsibility and commitment. We shall give the best of ourselves to serve the party. Let us work together and in time bring about the reform of the Institutional Revolutionary Party.

The party we comprise, the party of today and the future, gave its word to society, to Mexican society from which it springs, and did so directly to the nation. Our party is a consensus and expresses its will for change frankly, self-critically, and with proposals.

In this process, the entire PRI membership has had an opportunity to speak, refute, and reflect. We have done so at sectional meetings, in municipal communities, and in our organization, but we have also done so in working class colonias [urban communities] and on the ejidos [Indian communally-held farmlands]. The great debate for democracy comes at a time of maximum importance for this assembly.

Friends and delegates:

The time for diagnosis is long past.

Every topic on the PRI agenda has been clarified during the long days of analysis and discussion.

The points on the notice for today's meeting have been handled one by one.

Mexican society has made its proposals. We have heard reasons and arguments, but we have also registered demands and criticisms. We have heard all views. We have engaged in dialogue, reflected, and debated on the present and future of national politics.

But the time has come to make decisions. We shall do this together and we shall do it responsibly, without wavering, with imagination, and with the lucidity of all of you. Without deceiving ourselves and without pretense, we PRI members shall decisively march forward toward reform.

Change is a sign of the times. In our country, society has become pluralistic. Citizens are ever more critical, more informed, more demanding, more exacting. They want greater political participation and demand social justice.

In this change in Mexican society, we are no longer alone as a party. On the contrary, together with other organizations we are shaping a democratic party system.

Competence, my PRI friends, is part of our nature.

The new situation, the decision of the national PRI to promote this time of transformations, and our own political convictions have led us down the path of reform, and our convictions are what have brought us where we are today.

But let us ask ourselves: Why did we decide to reform? Why have we chosen the path of broadening democratic channels in order to do so? What is the reason for this political mobilization of our party on the national level? What is the reason for our vehemence, our unavoidable determination to hear the voice of society? You have supplied the answer.

First of all, it is because PRI members today recognize the exceptional nature of the political times in which we live, because PRI members today recognize the signs of change. Together with millions of Mexicans, you have contributed your talent, logic, lofty goals, and determination to the process.

From municipal committees to state commissions, we have discussed our problems, but solutions have also been proposed. We have frankly spoken of the great challenges faced by the Institutional Revolutionary Party in these times of change.

And you have clearly decided: The first great challenge is to regain our political position. Confronted with the problems faced by society, Mexico's problems today, many of them ancestral and many of recent origin, how

must we PRI members proceed, on what principles, with what attitude? In short, what should our political position be on the great problems of the nation, the republic's entities, our regions?

You have defined our political position. It consists of facing up to our needs, making the voices of society our own, ever based on our principles and values: freedom, the law, democracy, social justice, and protection of our sovereignty.

In these reflections, however, you have pointed out a second great challenge facing our party, which is to respond to the legitimate interests of Mexican society efficiently, effectively, and with clarity.

It is a complex, pluralistic society that requires a forum of political expression in order to give vent to the needs of the people and express the voice of the citizenry.

That is what PRI members today have gathered from the demands of the society to which we belong.

But why must we respond to society's interests with greater precision, appropriateness, and representation? We must admit that many movements have passed us by and become the organization of society, outside of the political parties, and we have to recognize this fact.

That is why, in proposing our reform, we must necessarily examine how and in what way we shall represent the interests of a society undergoing an obvious transformation and with singular vigor.

My PRI friends, we want to represent the feelings of men and women, becoming more effective, more concrete, and more successful in meeting the demands of workers, peasants, women, and young people, who from differeng generations and environments represent the movements of social groups.

But we have to do so by overcoming bureaucratic obstacles, without political anachronisms. We want to combine these social interests and, as a party, we must join with them and integrate them. We do not want a party for privileged minorities. We want a party of the municipality and the state, a party for the nation.

Throughout the discussion, however, a third great challenge was proposed: the strengthening of the organization, membership, and political action.

We want to transform our organization into a potential force for politics. As I already stated, we want to turn the party into a forum of citizen expression par excellence in which problems, the problems of society, are discussed, where democratic methods prevail, from which authoritarianism, bureaucratic politics, dogmatism, arrogance, and arbitrariness are excluded.

This is the demand of the people of Mexico, the demand of PRI members gathered together here, the demand of the PRI national membership.

The Institutional Revolutionary Party has regained its mystique, the mystique that goes beyond the culture of the "line," the mystique that gives every member his capacity for initiative.

How is one to proceed from these proposals to action? How can we get rid of our burden of bureaucracy? How can we respect our members, a universal demand? How are we to give them their rightful place? How shall we move forward in our internal democracy? Following what rules? How shall we prevent the democratic reorganization on which we are bent and to which we are committed from being diverted by scattered efforts, splits, and divisions?

In the democratic reorganization of our party, the municipality must be the point of convergence, a democratic convergence of national forces. From it, starting in the municipality and moving on to the ejido, the community, the working-class colonia, barrio, and neighborhood, growing out of the will of everyone, the new Institutional Revolutionary Party is born and emerges strong.

But there is a fourth challenge to which you have made ample reference, which is, through the combined will and with the determination of everyone, to overcome the party's image in Mexican society. To accomplish this, we must work harder, persevere, and act with singular tenacity and responsibility.

A new Institutional Revolutionary Party is being born inside each and every one of you with a new attitude, not only toward the party, but toward society as well, toward our adversaries, a new attitude toward life. It is the new attitude of the PRI of today and the future.

These are PRI members demanding new rights and willing to assume new responsibilities. This is how we propose to overcome the party's image. But PRI membership also requires, in order to overcome this image, that those in government, the people's representatives and public servants, work with integrity, honor, and honesty in public administration.

We must not forget the old saying that "examples are more effective than words," and it is the example of Carlos Salinas de Gortari that influences and guides the fate of the party and the nation. It is Salinas de Gortari's example that PRI members today must follow along the path of progress and the well-being of the people of Mexico.

Comrades:

Never before have we had a more representative assembly. The national representatives of the PRI are gathered here together: workers, peasants, teachers, white-collar workers, colonia residents, housewives, professionals, students, young people, and women of the different generations, all representing the pluralism of Mexican society, Mexicans one and all, belonging to the

Institutional Revolutionary Party. We believe in it and we believe in its values and ideals.

This nation of Mexico to which we belong is represented here and represented with dignity because each and every one of you has been democratically elected.

PRI delegates:

My friends and delegates, you embody the will of the members of the national PRI. You are the spokesmen for its combined, diverse expressions. My friends and delegates, you represent the desires and demands but also the hopes and aspirations of the national PRI membership, for it is through your action at this National Assembly that we shall perfectly discharge our duty.

Pitched battles have forged this phase of the party, but it has been the work and perseverance, the creative activism of all of you and of millions of Mexicans belonging to our party, that has made the political viability of our national organization possible.

Our reform must be the response, given by us in a solemn manner, to the social demand to expand democratic life, defend human rights, and further social justice.

This is what has enabled us to lead the citizens' movement and this is what will enable us to be in the vanguard of the national political scene.

Starting today, all the people's battles must necessarily be the battles of the new Institutional Revolutionary Party.

Our reform is a long-range task and will have long-range effects. It is a process requiring us to take action on all fronts, to move forward, without losing sight of our daily struggles.

Our assembly, friends and delegates, will lay the permanent foundations on which we shall move forward with our reform, but it is no little thing. It is a great step toward the achievement of greater aspirations and objectives. We have said it before: Our assembly is a finishing point, but it is also a point of departure.

This assembly is the completion of a phase, a stage of the process, and in this stage we PRI members shall learn and, indeed, learn a great deal.

Today we can say that the national PRI has precisely identified its defects and flaws. We have identified what the national PRI no longer wants, but we have also identified what we want to preserve, for it constitutes our pride and historic prestige confronted with Mexico's political struggles.

We know that at this assembly we shall make decisions and reach agreements that will, above all, enable us to maintain power by democratic means. That is what PRI members want: for no one in society to doubt our commitment to democracy in Mexico.

We want democratic power with the citizens' votes, the future of Mexico. This social, democratic step is not one of a break or violence. PRI members in Mexico are demanding democracy, more democracy for their party. They are asking for decentralization, autonomy, responsible government.

We are thus going to put an end to the political perversion of centralized decisions made at the top, an end to imposition and antidemocratic practices. That is what the party wants, what the national PRI wants, what Mexico wants.

Let us therefore set to work. Let us meet our obligation. May these hours of work be a marvelous opportunity to lay the foundation for our reform.

In Queretaro, we shall vote on principles, values of freedom, democracy, social justice, and sovereignty. Let us remember that everything can change, everything but our complete identification with the principles of the Mexican Revolution.

In Morelos, let us confirm our commitment to society. Let us eagerly devote ourselves to formulating a great political program for the party that identifies, puts together, and represents the desires of society and the citizenry, where community life takes place, where the people want to see the Institutional Revolutionary Party at their side.

In Puebla, friends and delegates, let us make our party a party with clear, precise rules. Proceeding with conviction, let us analyze everything relating to our statutes, statutes that sustain the values of the PRI today and in the future, clear norms and rules, statutes expressing our desire for reform but, above all, our democratic will.

Let us also go to Tlaxcala to manifest our absolute conviction that we shall be the party, the majority political organization which, in this historic phase, will accompany the national modernization of Mexico led by the proud PRI president of all Mexicans, Carlos Salinas de Gortari.

Friends and delegates, let us respond with work, dedication, conviction, to the hopes and desires of the PRI members of Mexico.

Let us propose to maintain party unity. Let us respect divergent opinions, disagreement, and criticism. These are expressions of democracy. With no preconditions, let us act as the pluralistic party that we are. In our debate, what must prevail above all is pluralism, tolerance, dialogue, reconciliation, camaraderie. Let the conduct of each and every one of us unify us, draw us together, bind us, and unite us even more.

From this moment on, the National Assembly will foreshadow the party we want for the future of Mexico, a democratic, united, strong party attentive to society's aspirations, a party that will be an unwavering defender of national sovereignty, a party that speaks out for and

acts accordingly for social justice and solidarity, a party, in short, that will be the voice of the people of Mexico.

We shall win the future for Mexico!

*Salinas on Party Commitment

90CA0136B Mexico City EL DIA in Spanish 4 Sep 90 pp 6-7

[Text of address by President Carlos Salinas de Gortari, at conclusion of 14th National Assembly of the Institutional Revolutionary Party, 3 September, at Mexico City Sports Palace]

[Text] Fellow party members:

It is with special interest that I have come to the closing session of this 14th Assembly of the Institutional Revolutionary Party (PRI). I am very proud to be here with members from the entire country, from the organizations that comprise our diversity, from the main sectors that give us our national dimension. You are the voice of the party, the heartbeat of the new life which I am convinced will continue to lead our party to victory.

You have the political vocation of the revolution. This is a new chapter in our biography, that of being one of the most important protagonists in the history of Mexico.

From the very first day I took office as president of Mexico, it was to govern without discrimination or political preferences, for all Mexicans.

During this period, I have enjoyed the support of my party in achieving a democratically strong and politically impartial presidency. Our party's program today is now the government and it has made obvious progress.

The intense relationship between the president and his party, as in the more politically developed nations, is open and dignified.

My commitment to the party's goals is more intense and my PRI conviction is firmer than ever. That is why I am here, to tell you again that I am a PRI member and that with you, I want to see the party in the vanguard of a sovereign, just future for Mexico. I am proud to be a member of the new Institutional Revolutionary Party.

We are heirs to the best political traditions of Mexico: Nationalism explains our perseverance to the point of sacrifice in defending the national territory; the values we share and the traditions that reveal us to be brothers in one big national family; the search for political unity transcending division and confrontation, also essential elements of PRI thinking. It has recognized the entire history of Mexico as its own, with its breaks and contradictions, because in that conciliation it finds profound ties with all Mexicans that can provide the best pathway to the future.

The PRI that you lead has incorporated language and new concepts emerging from the community and it has done so because it has had internal consistency and discipline and kept its ears open to the outside. Uniting does not mean confusing oneself with opposites or standardizing everyone.

Our party has said "No" to dogma and recognizes differences in interpretations of national objectives. Our party was born of reconciliation and embraced the sum of efforts, without denying the existence of those who do not share its objectives and programs.

We have firm convictions of sovereignty, freedom, democracy, and social justice, but our program is not intransigent because we know the diversity that comprises us and have recognized and even fostered democracy's need for an interlocutor.

The PRI is heir to Mexico's tradition of justice. As the strongest driving force in history, the party's essential objectives have been moderating inequalities, opening up opportunities, and redistributing income in order to give the most help to those who have the least.

It has never defended social justice at the cost of fundamental freedoms or by occupying all the spaces on the economic and social playing board.

The party has promoted legal change and been the builder of a peaceful transfer of power, the organizer of society, and, consequently, a participant in it.

The peace and stability to which the PRI has contributed so much have been possible because it contains the great historic alliance of the sectors of the party, sectors of the nation with the program of the Mexican Revolution.

Ours has not been a false stability like that ominously suffered in the world by centralized, bureaucratized, exclusive parties. For that reason, the PRI's reform does not require its defeat or elimination.

Precisely the opposite is true. The democratic future of Mexico requires this successful reform of the party, a renewal for competence, and modernization so there can be more competence, a majority force for justice.

The PRI has been the party of modernization because it has defended Mexico in a difficult world and because, facing the needs of the people, it has promoted social change in its different phases and different circumstances.

The PRI is a modernizing party because it has promoted major transformations of institutions and political practices, which is why the country now displays the makeup of the preferences of a pluralistic society better than before.

The PRI has not been a party tied to the past. It is always moving forward, taking the next step toward a Mexico that wants to keep on being Mexico, but better, freer, more just.

For all these reasons, we PRI members have the legitimate right to be proud of the party we comprise. Deviations and errors, also a part of our history, are additional reasons for promoting change.

We do not share the paralyzing attitude of blame, self-flagellation, or self-denigration. We have a determination for change, as you can now see. We fight complacency, our greatest political enemy. There is, however, a will for victory.

The PRI has decided to change and is doing so. Today marks a major step in the new direction. It called for the broadest possible assembly and brought along with it the most detailed expression of the PRI members' concerns. The PRI has now held the most democratic assembly since its founding. Delegates were freely elected by the rank and file. Opinions were expressed without conditions. Members who spoke did so forcefully.

Members and delegates: You spoke loudly and clearly, with determination and commitment. Your voice was heard in the National Palace and in the most remote corners of our nation. We shall act accordingly.

In participating, you demanded clear political recognition for grass-roots work, recognition of members in daily contact with the party. Today the PRI has upgraded the political work of its members. Thanks to this fact, it will be the proven members who will have the best opportunities to represent our party in elections or even head their political directorate. This is not for the purpose of dividing, but rather, to improve and unite, in sum, to win and win big.

The party has heard you. You demanded more democracy in internal political life, more transparency in procedures to choose candidates and leaders. Today the party has clear, new rules to do so and, above all, the determination to follow them. You demanded to have a powerful, flexible, responsible organization for winning the popular vote. Today the territorial structure is being strengthened with greater autonomy, more decisiveness in order to win in every locale. You demanded greater proximity between the party and society, greater self-determination vis-a-vis local authorities, and a new form of politics.

The party has affirmed its own identity, its own voice that is not against the authority emanating from PRI members, but against arbitrariness, disinformation, and neglect of the rank and file. It now has mechanisms for penetrating society better and more deeply. Party reform has heard its members and is sensitive to change in the country. It is willing to face up to the major historic task on which it stakes its greatness. Self-criticism has been the indispensable instrument. That is why it was able to accept errors and omissions in proper compliance with its political ideals. That is why they were also creative. The party of the majorities, which in the past was capable of uniting powerful sectors such as workers, peasants, and low-income groups, must demonstrate in this new phase of its history its ability to respond better to these sectors while also representing new groups emerging from a different urban and rural life. These sectors have been the party's backbone, organizations demanding justice for the task of governing. Weakening this structure would only weaken the PRI, but a party with an overall project that proposes to create a better quality of life for all Mexicans must promote an effective membership whose scope will extend with renewed vitality to the family itself. We do not only want individual PRI members; we want entire families to join our ranks because they will find a permanent spot in our struggle.

It is absolutely appropriate to maintain the connection between the organizations and the party. Interest in individual membership is welcome, but history shows the strength of also belonging to the party through its organizations. A great step was taken with the establishment within the new National Political Council of standing work committees in order to bring in urban and rural workers, thus connecting the urban and rural worlds. We must move rapidly and by functions, production and distribution, wages and prices, social service and contributions, education and training, outside political and economic relations, and elections. Here we shall concentrate attention on the real problems of the nation and the states and the election processes.

With the changes underway, we shall compete more and win. One thing should make this Assembly proud because the 14th Assembly has initiated a process of internal changes that will be positive for Mexico. It will require more work and a better membership and the decisions made will launch new movements that will vitalize the PRI.

Many of you present here had never participated in a party assembly. Many had never been elected as delegates, but you who now have the responsibility of such representation therefore understand how difficult it is to build a consensus and defend it. The process of change is complex but very rich; let us complete it together and exclude no one.

Building Greater Unity

Confronted with the task of reforming the party, there can be no ambiguities. Changes are taking place in order to strengthen our political organization, not destroy it. They are not designed to satisfy our adversaries, who, as is natural, seek to weaken it with their proposals. These changes are to build greater unity because they are in step with the membership, with the sense of what Mexico needs. They are changes to maintain the Mexican Revolution in government. Affirming its principles and winning the vote democratically are changes for victory, not for the purpose of bestowing power as a gift.

Changes move in the right direction. That is the partisan reality of Mexico in the future and that is what the party itself has decided upon.

Comrades, preserving what is essential is what gives changes its value.

The principles of the revolution are essential; change is the way to achieve them. The Mexican Revolution is not being exhausted in the forms of any phase in our recent history, nor is it resolved by any person in particular. Sovereignty and justice by a free and democratic path are the Mexican way and they are a permanent part of the party program.

Discipline is essential. Large numbers and consultations in order to achieve it are the change. This is the nature of a political party: organization in order to gain power democratically and retain it. Without discipline, antagonisms and factionalism are exalted, which is what our opponents want. Without the necessary consultation, without reason, without internal legality, there is frustration and abandonment and a high probability of erring in decisions.

We need to change Mexico's political life. Society wants change; the combination of transformations taking place in the country and the world also demand it. If today we have the possibility of changing, it is because we have not put our institutions at risk. Changes in the political life of Mexico must not place the institutions of the republic at risk, much less the nation's sovereignty. These are the boundaries of change.

Strengthening Sovereignty

All the political forces of the country and those of us who shoulder public responsibilities face the requirement of working within that broad framework of securities and guarantees aimed at truly guiding the democratic evolution of Mexico. Confronted by risks inherent in the international situation and given the changes that Mexico requires, we need real unity and integration of our fundamental forces. No one force in itself would be able to meet the magnitude of international and domestic challenges.

Today nothing is more valuable than fighting every day for a consensus, without having decisions imposed. Any attempt at replacing one hegemony by another belongs to the past.

When such rapid changes and unexpected international situations occur, what every country needs and every political system seeks is to maintain its capacity for leadership and response to such events.

Let us do nothing that will weaken this national capacity for leadership. Let us do our utmost to strengthen our sovereignty and national identity.

PRI members

We have reaffirmed our principles, updated programs and modified statutes. We must also make certain political premises clear:

1—The party's central purpose is election victory, meaning democratically attaining and retaining power.

2—The fundamental political challenge in the administration of power is maintaining sovereignty, strengthening Mexicans' control over the nation. That is why one cannot accept experiments or proposals when the cost of failing is the loss of sovereignty.

3—In our country, sovereignty is expressed as justice, a response to the legitimate demand of the Mexican people for greater well-being, with respect for our individuality and the essential values we hold dear. That is why it is social justice.

Reform of the PRI must also be to help and support the work of the government to defend our sovereignty, maintain the integrity of the republic, and firmly support organizations fighting for social justice. That is why we seek election victory. That is why we work with determination and commitment because that is how we achieve it.

The supreme value of the people is independence and sovereignty because they have pride, historic memory, deep-rooted values and ancestral hopes. But the people also have the substantive demand of access to a better standard of living, with stability and without anguish, and they want results as soon as possible because there have been many years of crisis and the level of well-being has declined markedly. That is why they demand that while respecting their freedom and decisions, we find harmony between proposals and reality, between long-range goals and a prompt reply.

That is why PRI members today are fighting for political practices and strategic proposals that reconcile sovereignty and justice, freedom and democracy.

Solidary State

As the world approaches the close of the 20th century and the second millenium, the proposal of progress is that sustained by a government with the ability to lead without bullying, to guide without taking the place of others, to keep one's word without lying. That is why we are moving from the proprietary, bureaucratic state to the solidary state. We are reforming the government in order to eliminate bureaucratic fiefs whose rhetoric invoked equity, but which in reality protected waste, ineptitude, and corruption.

Today, solidarity creates new relations between the government and society. It promotes organized participation and the creation of new social grass roots.

Between market excesses and the abuses of bureaucratization, we propose the solidary state. We strengthen a new nationalism that rejects servile subservience to other countries, but also denies the verbal, recurrent confrontation that is often but a way to conceal ineptitude in handling internal problems or defend privileges.

We promote a democratic presidency that leads the national effort, dialogues with dignity and effectiveness in an emerging new world, and which, while governing for all, promotes the well-being of those who have the least, but without arbitrariness, rashness, or nepotism.

For that reason, today, as your president, I am in constant action, strengthening new political relations, consolidating the new economic structure and promoting the new social classes. Above all, I work closely with the people, always with the people, without populism or paternalism, but always with clear ties to the people.

I work to promote the new Mexico. I work so that the Mexico we dream of for the future will become a reality because my fellow countrymen deserve to improve their living conditions.

That is why we need governors who are more active, municipal presidents constantly working. Anyone with any territorial responsibility must be closely connected with the grass roots and their needs. Everyone must work harder and more closely with the people.

New Social Policy

We propose a new social policy that will respond to the commitment to provide food, health care, education, housing, drinking water, and electrification, but with the solidary participation of everyone.

Our commitment is to work with the masses. Those not acquainted with action aimed at changing the world should not invoke politics.

We promote an economy that functions, creating the jobs that Mexicans need, connected with the growing universalization of the world, but always under the control of Mexicans.

We are a new generation in power, not because of our age, but because of our attitude. Those inside or outside the PRI who now criticize the reforms you promote the most are, paradoxically enough, those who contributed to its greatest vices during their term in leadership posts.

They nearly finished off the PRI. You can ensure that it remains as a formidable political force for sovereignty and justice, democracy and freedom. Today, confronted with this process of change, some feel displaced and it is because they do not have the strength to participate in the vanguard of modernization.

In this process of transformation, all opinions are welcome in the party except those which, while speaking of democratization, actually promote its division.

We are committed to new political practices, to solid theoretical foundations clearly reflected in reality. We are changing our language because we want to communicate with the people, not confuse them. We call a spade a spade and also evoke the greatness of our historic epic. We are not seeking a stroke of election luck, but rather, prefer to rely on our intense political work to build the new political institutions that will illuminate the new century. We promote democracy and tolerance but reject, as a sign of openness, the search for reconciliation with our adversary by conceding what is illegal or what the citizens have not granted.

That is why those who want to be the party's candidates must have a clear commitment to the new times of the PRI, which are times of unification, but not to the point of being so conciliatory toward the opposition that we forget our banners as we kneel down to pick up those belonging to others.

We want candidates committed to the strengthening of the PRI, not its capitulation. The new times are not times of protecting personal prestige, but rather, of leading debate and united efforts.

When candidates are more competent, members will be stimulated to work harder for the community and, consequently, cadres will have a greater commitment to work with the party. It is enough to avoid debate, respectfully but firmly, with those elements of the opposition who denigrate the party at home and have no political scruples about criticizing the PRI and the government abroad, using only epithets but no arguments and with no regard for the damage such an attitude can signify for the country.

Their irrational opposition is objectively turning them into allies who wish to violate the national sovereignty. Let us respond with the passion of our convictions and the strength of our arguments. Let us show voters that the PRI is the party best able to defend the interests of our sovereign republic in a period of so many changes on a world level.

We have observed the noteworthy ability of the PRI to regain votes when it changes its methods, strengthens its campaigns, delivers what it promises, and commits itself to the people's causes. With these reforms, the PRI wins and democracy also wins in the country.

The political work of each one of you, of Luis Donaldo Colosio, the sectors, organizations, state and municipal committees, sectionals, and members and sympathizers throughout the country has such far-reaching importance that we must all commit ourselves to this cause.

With your strength, which is the strength of everyone, this new PRI must become a reality. My commitment as president of Mexico is that such changes must strengthen the nation and also the republic.

We came to this assembly, my fellow party members, with the will for change and achieved it. Let us, the PRI members of Mexico, now leave united and with the desire for victory. The PRI lives and will prove it in the elections.

Long live the PRI! Long live Mexico!

Chilean President Aylwin Pays Official Visit

PA0310184490 Mexico City XHTV Television in Spanish 0207 GMT 3 Oct 90

[Text] Chilean President Patricio Aylwin arrived in Mexico City from New York on an official visit today. He was received by Mexican Foreign Secretary Fernando Solana. Aylwin said that the break of diplomatic relations between Mexico and Chile have not harmed the friendship between the two countries. On the contrary, he said, the break helped reaffirm Mexico's hospitality when the country welcomed thousands of exiles.

During his stay in Mexico, the Chilean president will confer with Mexican Government officials on the necessary steps for a bilateral free trade agreement.

Mexican President Carlos Salinas de Gortari hosted an official reception for Aylwin at Mexico City's National Palace. The two presidents met in private to discuss the status of relations between the two countries.

Salinas said that there is something new in Latin America. He was referring to recovered democracies, which lay the groundwork for a political dialogue and pave the way for exchanges and for the meeting of cultures and common backgrounds. Salinas spoke at the National Palace's central patio during the official ceremony to welcome the Chilean president, who will stay in Mexico for three days. Salinas also said that the meetings held between the two presidents increase the hope for a new era in Latin America. This will enable them to join forces and raise their level of cooperation, particularly by sharing the same willingness to respond to the demands of the people and await the arrival of a new century with full freedom and with a firm and respected voice in the world, thus affirming the two countries' position in the world.

President Aylwin spoke about the shared willingness to look into the future based on a program to face the challenge of the 21st century and work together in political, economic, commercial, cultural, and juridical fields.

During the ceremomy, Salinas and Aylwin were accompanied by their wives and cabinet members. The presidents later held a session at Salinas' office and attended a dinner at the Los Pinos official residence.

Salinas, Uruguay's Lacalle Discuss Trade Issues

PY0310210990 Montevideo Radio El Espectador Network in Spanish 1600 GMT 3 Oct 90

[Text]Uruguayan embassy adviser Tavare Bocanandro [name and title as heard] has reported that President Luis Alberto Lacalle met with Mexican President Carlos Salinas de Gortari over the past few hours to study the possibility of creating a free trade market.

Bocanandro added that the presidents of Mexico and Uruguay will hold talks in Montevideo on 8 and 9 October to prepare for the possible creation of a bilateral free trade agreement. This agreement will entail detailed negotiations due to the unbalanced economic situation between the two countries, Bocanandro said.

The embassy adviser added that trade between the two countries amounts to $78 million annually, with a surplus of $50 million favoring Mexico, which exports an estimated $30-million worth of petroleum to Uruguay each year.

El Salvador

Defense Ministry: Terrorists Armed at University

PA0310212990 San Salvador EL DIARIO DE HOY in Spanish 1 Oct 90 pp 10, 63

[Text] The four terrorists arrested a few days ago for placing bombs in San Salvador "confirmed to the National Police that, at the University of El Salvador, they received weapons, explosives, and instructions to carry out acts of sabotage," the Defense Ministry has reported.

The Defense Ministry made this remark after some university groups spoke out in support of the accused. These groups charged that, by reporting this, the Armed Forces Press Committee (Coprefa) is trying to adversely affect the image of the University of El Salvador.

Military sources reported that Mauricio Quijano, one of the accused, has confessed that he has belonged to a subversive organization, "ERP-PRS" [People's Revolutionary Army-Salvadoran Revolutionary Party], since April 1989 and that he was recruited by terrorist Omar N., who is also know as "Caja" in this organization.

The military sources added that Quijano stressed he is currently responsible for an ERP-PRS urban commando unit, which was formed by "Mestizo" and "Carlos" under the orders of "Amilcar," with whom they met at the auditorium of the University of El Salvador.

The terrorists were ordered to place bombs at power poles in the Escalon neighborhood. The subversive leader gave the urban command materiel, such as TNT, to make explosive devices, the Defense Ministry reported.

The other arrested rebels—Jose Luis Metizo, Carlos Humberto Linares, and Flor de Maria Lemus—made similar statements, according to a Defense Ministry communique.

Arena's Calderon Assesses Cristiani's UN Speech

PA0310151290 San Salvador Radio Cadena YSU in Spanish 1730 GMT 2 Oct 90

[Report on interview with Nationalist Republican Alliance President Armando Calderon Sol by unidentified reporter on 2 October; place not given]

[Text] Arena [Nationalist Republican Alliance] President Armando Calderon Sol commented today on President Alfredo Cristiani's speech at the United Nations. He highlighted the positive aspects of Cristiani's call for a cease-fire at that international forum. Calderon Sol said that he does not know the exact date on which the government will establish the unilateral cease-fire proposed by President Cristiani during his speech at the UN. He said, however, that all of the Salvadoran president's movements are governed by the Geneva agreements, and he is making every effort to achieve the cease-fire.

Cristiani's attitude is gradually forcing the FMLN [Farabundo Marti National Liberation Front] to seek a political, rather than a military solution, Calderon Sol said, adding that the proposal stated at the United Nations does not transcend the framework of the Geneva agreements.

[Begin recording] [Calderon] I do not know exactly when this action will be taken. I believe that everything is unfolding according to the Geneva agreements. The president has made an effort through the dialogues and through his visits to New York and Washington. He has clearly informed the international community of his and the government's resolve to attain peace. This resolve has also been proven by the agreements signed by the interpartisan commission. The political parties are enlightened and perceptive enough to interpret the Salvadoran people's desire for peace. I believe that with each passing day the FMLN increasingly finds itself locked into the position of having to make peace a reality, as it should be, because it cannot continue giving opportunity to and increasing violence as it has in the past.

[Reporter] [Words indistinct] goes beyond the framework of Geneva?

[Calderon] It is a proposal that contributes to the prompt attainment of peace. I do not believe that it goes beyond the boundaries of the agreements; on the contrary, it enhances them.

[Reporter] [Words indistinct] the government proposed this unilateral cease-fire at the United Nations and not at the talks with the FMLN?

[Calderon] I am unaware of the source of this criticism, which has no raison d'etre from any viewpoint, because an effort is being made to contribute to peace, and I believe that the proposal has also been stated at the negotiating table. There are issues that are secret and confidential; not everything has been said. Whoever has leveled this criticism, therefore, has done so for the sake of doing it or in an effort to take some sort of action against the government. I can assure you that the government's resolve to attain peace is increasingly obvious. [end recording]

In his statements to the press, Calderon Sol also referred to the accusations made by the Archbishopric's Legal Assistance Office, to the effect that the government is the leading human rights violator. That institution should reconsider and change its position, Calderon Sol said.

[Begin recording] [Calderon] I regret that the Legal Assistance Office feels this way. I believe that there should be greater objectivity and that we should differentiate between cases. There have been terrible cases of

human rights violations, but the government cannot be accused of having perpetrated any of them. There have been a few cases of abuse of authority by administration or public security employees; we would have to state their names, outline each case, and bring these individuals to trial. The government is not, however, responsible for any human rights violations. The charges are regrettable, and I believe that the Legal Assistance Office has made a tremendous mistake by accusing the government and placing it on the same level with the others. It has failed to weigh its words and accusations. [end recording]

The Legal Assistance Office's remarks were refuted by the Salvadoran Government, which said that the FMLN is the leading human rights violator. Calderon Sol said that if Legal Assistance Office Director Maria Julia Castillo were more objective, she would pronounce herself in the government's favor. Calderon Sol supported the mayor of Soyapango who, he alleges, has been accused of coming out in defense of the poorest sectors. Mayor Vasquez Corina has been accused of various crimes, among them the murder of a Christian Democratic Party activist.

Weekly Roundup of Government, FMLN Fighting

PA0310150090

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 25 September carries several battle reports from 19 to 24 September. One report says that urban guerrillas of the Farabundo Marti National Liberation Front, FMLN, Feliciano Ama Western Front inflicted seven casualties on the treasury police between Santa Ana and the freeway on 19 September. On 22 September, guerrillas fought Belloso Battalion troops in Plan del Picacho and Amatillo in Chalatenango, inflicting four casualties on the Army. Seven more casualties were inflicted on the Army in Los Naranjos, Chalatenango. On 23 September, FMLN members "killed eight soldiers and wounded 27 in Usulutan Department." Another report states that FMLN troops inflicted seven casualties on the Belloso Battalion in Chalatenango on 24 September. The FMLN also attacked Army units between the Ocicala turnoff and Delicias de Concepcion in Morazan on 24 September, seriously wounding three soldiers.

Radio Venceremos at 0000 GMT on 26 September reports that a National Police patrol was ambushed in Primavera, Quezaltepeque, on 17 September, and sustained two casualties. The report also states that an Atlacatl Battalion company crossed a minefield in Nejapa, San Salvador Department, on 20 September, suffering seven casualties.

Radio Venceremos at 1623 GMT on 28 September reports that FMLN rebels attacked a Cobra Battalion unit in La Reina, Chalatenango, on 26 September, inflicting 15 Army casualties, including dead and wounded, and recovering three rifles, two M-16's and one M-14. Rebels also attacked a Lenca Battalion company at Potrero Afuera, Morazan, on 26 September, inflicting three casualties. On 27 September, guerrillas ambushed a military truck carrying 20 soldiers between Zacatecoluca and Usulutan, San Vicente, inflicting 12 casualties, including dead and wounded. Venceremos also reports that one soldier was wounded on 25 September when 5th Infantry Brigade soldiers crossed a minefield in Tecoluca, San Vicente.

(Clandestine) Radio Venceremos at 0000 GMT on 29 September reports that an FMLN unit attacked Ponce Battalion troops in Jiatajiagua, Morazan Department, on 28 September, inflicting one casualty. At 0900 on 27 September, Air Force paratroopers dropped on a minefield in San Vicente. One soldier lost a leg as the result of an explosion.

Honduras

Villanueva on Recent World Bank, IMF Meeting

PA0310192090 San Pedro Sula TIEMPO in Spanish 2 Oct 90 p 8

[Text] Tegucigalpa—International financial institutions have even demanded constitutional amendments as a condition for disbursing credits, but "we have not accepted those conditions because they are not justifiable," Finance Minister Benjamin Villanueva said yesterday.

Villanueva said that the World Bank and IMF annual meeting, which was held last week in Washington and which he participated in as spokesman for Latin America, centered on the Persian Gulf crisis. He added that "there is great concern among all oil importing countries—both industrialized and developing nations—over the situation."

Villanueva said that Latin America asked the international financial institutions to immediately increase the disbursements budgeted for this year and next year to "be able to cope with the new oil prices with additional dollars."

He noted, however, that "no specific aid was offered to our countries, because those large organizations are not very flexible and have not yet found immediate solutions to adjust to the Persian Gulf crisis."

He added that each disbursement made by those financial institutions is subject to conditions and that there is not enough flexibility to solve an urgent problem such as the increase in fuel prices.

As an example, he mentioned that one of the conditions that international financial institutions demanded from Honduras was introducing a constitutional amendment, which was not accepted "because we feel that it is not justifiable and, therefore, we are currently negotiating and trying to reach an agreement with them."

When asked what that constitutional amendment was, Villanueva preferred not to give any details, saying that since there is a negotiation process underway, "it would not be advisable to create a public controversy on the subject until we have more specific grounds."

Villanueva said that "we are willing to seek other options that will permit economic adjustments and enable us to responsibly manage public finances. We do not want, however, to go to the extreme of proposing constitutional amendments only to please those financial institutions," he said.

U.S. President George Bush has suggested the creation of a consultative body to face the oil crisis. That has not, however, produced immediate measures, Villanueva regretted.

He added that in his speech at the World Bank and IMF meeting he stressed that the Persian Gulf crisis could cause an economic recession which could be even worse than what has already been visualized.

He said that the Middle East conflict has set aside many of the goals of the economic adjustment plans imposed on various developing countries, placing a "terribly heavy" burden on our international reserves and on our balance of payments."

Villanueva noted that the oil crisis will cost Honduras approximately $90 million more, or an annual amount equivalent to 10 percent of its exports.

Another subject discussed at the meeting was the foreign debt issue, which continues to be a matter of great concern among the nations in this hemisphere. Villanueva added: "I mentioned in my speech that Latin America has paid off 250 trillion dollars and has only received 50 trillion dollars." [all figures as published].

Villanueva stressed that Latin America has become a net exporter of resources and, therefore, must seek ways to reverse that pattern.

Editorial Discusses Relations With Soviet Union

PA0310180790 Tegucigalpa LA TRIBUNA in Spanish 2 Oct 90 p 5

[Unattributed editorial: "Without an Enemy and Speechless"]

[Text] According to international news reports from Washington, "at the United Nations today, Honduras and the Soviet Union signed an agreement whereby the two countries have established diplomatic relations for the first time."

The agreement was signed by Honduran President Rafael Leonardo Callejas and Soviet Foreign Minister Eduard Shevardnadze when they met during the world summit on children.

See how things are. Nixon, a Republican, visited Communist China in an unprecedented move that marked a complete turn for U.S. foreign policy. Time and opportunity let the Republicans do what the Democrats did not do.

Reagan, who regarded the Soviet Union as an "Evil Empire," signed a disarmament agreement with the Russians. "Time and opportunity" also willed that Mikhail Gorbachev turn the Soviet Union around with his perestroyka, marking the end of the cold war and establishing a new relationship with the United States.

So close is this relationship that in the Persian Gulf conflict the former rivals sat at the UN Security Council like perfect allies.

Now, despite our minuscule importance in the grand scheme of things, Honduras has established diplomatic relations with the Russians because "time and opportunity" have determined it. The liberals, whom their adversaries accuse of being Communists, never wanted to or could establish relations with Communist countries. Now the "conservatives" have done so.

An industrious writer told me: "You know, this is what is happening: The rightists are left without an enemy and the leftists are left speechless."

Nicaragua

Government Issues Communique on FNT Agreement

PA0310180990 Managua Domestic Service in Spanish 1639 GMT 3 Oct 90

[Communique issued by the Presidential Press and Information Directorate in Managua on 3 October]

[Text] The Nicaraguan Presidential Press and Information Directorate informs the Nicaraguan people of the following: As a result of an invitation from the Nicaraguan Government, government representatives met with members of the National Workers Front, FNT, at the Presidency on 2 October. The government delegate was Deputy Presidency Minister Antonio Ibarra Rojas. For over six hours, the FNT and the government revised the agreements signed on 11 July 1990. The parties involved specified the unfulfilled points of the agreement, and also discussed the violations of the agreements presented by the FNT. The two sides also agreed on other important issues.

The Nicaraguan Government believes that it has fulfilled most of the points of the July agreements. It asserted that it is willing to comply with any pending aspect. With the intention of creating the best conditions to facilitate the participation of the FNT and other professional and productive organizations linked to the Sandinist National Liberation Front in the national dialogue that will resume its meetings on Thursday, 4 October 1990, the Nicaraguan Government agrees upon the following:

1. The Nicaraguan Government reiterates the full validity and implementation of all the agreements signed by the FNT and the government and commits itself to rectifying any violation of the said agreements, and to adopt the necessary measures to implement those agreements. For that purpose, the government will create a mixed government-FNT commission, which will study the proposals for the rectification and implementation of the agreements, and will ensure the fulfillment of the said agreements. This commission should conclude its work on 31 October 1990 at the latest.

2. Decree 11-90 will never be used to return properties to Somozists or to affect those who benefitted from the Agrarian and Urban Reforms prior to 25 February 1990.

3. The government reiterates that there will be no dismissals or demotions until there is a balance between the size of the government and the future of the APP [People's Ownership Sector] enterprises that cannot operate without government subsidies. In any case, all the public employees who will have to become private employees will be entitled to the indemnification agreed upon at the national dialogue.

4. All citizens who benefited from the Inssbi [Nicaraguan Social Security and Welfare Institute] pensions will continue receiving their pensions as the law establishes and as was confirmed in a recent agreement with those citizens. The health and education budgets for 1991 and all the remaining government sectors' budgets will be approved by the National Assembly. The education and health budgets for the last three months of 1990 will be agreed upon during the national dialogue.

5. The government wants to cover public expenses with public revenues, and it will use all the foreign resources it receives to finance and promote public investments that generate many jobs, such as the construction of low-cost housing.

6. The government will immediately establish a National Agrarian Reform Commission with the participation of the various segments of the population that are interested in reaching an intelligent and harmonious solution to meet justified land demands.

7. The government recognizes all agrarian title deeds issued until 25 February 1990, as specified in the Transition Protocol. Title deeds issued between 25 February-25 April 1990 will be revised by the National Agrarian Reform Commission to differentiate those issued within the spirit of the Agrarian Reform Law from those that constitute clear abuses with no justification.

8. The government commits itself to honoring the distribution of AFA [Rice, Beans,and Sugar] packages and transport cards to those segments of the population that already enjoy these benefits.

9. The Nicaraguan Government has started the Emergency Plan Against Hunger. Those affected by drought, especially those in regions one and two, are now being assisted by government authorities who have targeted about 200,000 quintals of corn to meet their food needs between late September and early December, when the last crop will be harvested. Funds were also obtained from the Norwegian Government to start a complementary food program for children between 1-12 years old throughout the country in the next few weeks. This implies strong support for this important segment of our society.

10. The government of the Republic has established a national commission to implement the social emergency program that will try to tackle the unemployment problem. The social emergency fund will be in its initial phase, and it is expected that in October more than 8,000 Nicaraguans will secure jobs in community works at the municipal level, and that this figure will surpass 20,000 within a month.

Issued in Managua on 3 October 1990.

FNT Agrees To Join National Dialogue

PA0410133490 Managua Radio Sandino in Spanish 1230 GMT 4 Oct 90

[Communique issued by the National Workers Front in Managua on 4 October]

[Text] The FNT [National Workers Front] announces the following to its rank and file, labor unions, federations, confederations, professional associations, the people in general, and the national and international press:

1. As a result of the combative mobilization and the struggle of the workers and the people in general, the Nicaraguan Government, through a public communique dated 3 October, has accepted nine of the 10 conditions of the FNT for creating the proper climate for a social and economic national dialogue.

2. Consequently, the FNT, which has called for a dialogue to discuss the true interests of the workers, wishes to announce that it will join the concerted efforts on Thursday, 4 October, which is today.

3. The FNT calls on all of its affiliates to be in permanent mobilization to guarantee the fulfillment of the conditions already accepted by the government and to firmly preserve the workers rights in the national dialogue.

4. The FNT will keep its affiliates and the people in general informed on what takes place at the negotiating table.

5. Once again, the FNT ratifies its struggle to preserve the interests and rights of the Nicaraguan workers.

For employment and salary, not one step backward.

Signed in Managua at 0000 on 4 October 1990

FNT, CST [Sandinist Central Organization of Workers], ATC [Association of Agricultural Workers], ANDEN

[National Association of Nicaraguan Teachers], Fetsalud [Federation of Health Workers], UPN [Union of Nicaraguan Journalists], UNE [National Union of Employees], Heroes and Martyrs Conapro [Heroes and Martyrs National Confederation of Professional Associations]

Cosep Communique Criticizes Sandinists

PA0310164990 Managua Domestic Service in Spanish 1815 GMT 2 Oct 90

[Communique issued by the Nicaraguan Higher Council of Private Enterprise; date not given]

[Text] Cosep [Nicaraguan Higher Council of Private Enterprise], speaking on behalf of those Nicaraguan people who are anxious about the grave economic, political, and social crisis the country is experiencing, has found it necessary to report to the Nicaraguan people and Government the following:

Whereas:

1. The current situation is a result not only of the 10 years of bad government by the Sandinist National Liberation Front [FSLN], it is also a result of the general strategy of that party. This strategy aggravates problems that are adversely affecting the economy and creates obstacles for government initiatives aimed at stabilizing the economy and society.

2. The weakness that the government has demonstrated in its relations with the FSLN is the result of the government's moving away from the people who brought it to power.

3. Neither the Army nor the police support the government's plans and initiatives, because those institutions still do not understand that they must protect the security of the legitimately installed government and not the security of the FSLN.

4. As long as property unjustly confiscated by the Sandinists is not returned to the legitimate owners and as long as state enterprises are not privatized, social and economic stability will not be possible.

5. There are Sandinist decrees, such as decrees 85 and 86, that permit the FSLN to manipulate the government and the country and legally keep the Army separated from the government.

6. Illegal personal enrichment by state and government party officials is neither moral nor ethical when it is the result of taking what belongs to all of us and to future generations.

Therefore:

1. The government must seek unity with the political and social organizations that produced its victory in the elections.

2. The concerted effort of the government must be implemented so that in the framework of the government plan approved by the people, Nicaragua may adopt measures agreed upon by all the sectors of the population prepared to sacrifice their personal interests for the sake of national interests.

3. The government must either repeal or modify all the Sandinist decrees—such as decrees 85 and 86, the Army Law, etcetera—that are obstructing the implementation of the government plan and give impunity and wealth to the FSLN.

4. The government must act in a clear and public manner whenever it negotiates with the opposition, because we think the Nicaraguan people deserve and demand clear explanations.

5. Cosep believes that the restructuring and reduction of the Army and police should not be postponed. Then these institutions can support the implementation of the government plan and the state in general.

6. Cosep urges all the opposition forces to grant the Nicaraguan people a truce and to allow the government elected by the majority of the people on 25 February to adopt, without having to meet conditions, the measures recommended in the framework of the national agreement to resolve the general crisis looming over the future of all the citizens of this nation.

Cosep.

UNAG, Demobilized Contras To Form Armed Group

PA0310140390 Managua BARRICADA in Spanish 1 Oct 90 p 4

[Report by Francisco Rodriguez]

[Text] Jinotega—UNAG [National Union of Farmers and Cattlemen] and a delegation of demobilized contras agreed, with the approval of a Government Ministry representative, to establish an armed contingent made up of former members of the Army and contras to stop land invasions and cattle rustling.

This took place during a meeting on 29 September attended by Pastor Palacios, alias "El Indio," and Simeon Aguirre, alias "Kaliman," for the contras; Hermogenes Rodriguez and Justo Angel Picado for UNAG; and Subcommander Mario Noguera, departmental police chief.

They also agreed to build 2,000 homes that the municipal government will assign to the demobilized contras. These homes, however, will be built in the beneficiaries's hometowns to "prevent the formation of poverty belts in the outskirts of the city."

It was known that an international organization provided the funds to finance these homes.

During the meeting, they also discussed the plight of 3,000 families that have no land; the demand by about

8,000 demobilized contras that the government give each one of them between 10 and 15 manzanas of land; ways to expedite the granting of credit for the last sowing; and the installation of health, education, and other services.

Hermogenes Rodriguez, UNAG departmental president and Sandinist National Liberation Front deputy at the National Assembly, said that the state will be able to meet the former contras' demand for land.

He added that there are large areas of fertile land in Wiwili, Abisinia, and Yali which the state could use to meet the demands of soldiers affected by the reduction in the Army, former contras, and families in need of land.

Eight Contras, Two Policemen Killed in Clashes

PA0310213190 Managua Sistema Nacional de Televison 0330 GMT 3 Oct 90

[Report by Manuel Espinoza]

[Text] The police station in Waslala was overtaken by 20 contras, who were armed with heavy weapons. During the attack on the police station, two policemen were killed, but we also have a report that eight contras were killed. The report adds that in Waslala, there are 200 contras who have virtually overtaken the township. The police force meanwhile withdrew to the Natalia Batallion. This attack took place at 0000 GMT on 3 October.

Report on 1 Oct Protests in Various Cities

PA0310143590 Managua BARRICADA in Spanish 1 October 90 p 1

[Text] National protests in Region Four included various activities in Granada. Hundreds of peasants "occupied" BND [National Development Bank] offices, demanding a revision of the government's credit policy. Intercasa [expansion unknown] and Prego [expansion unknown], companies which are now in the hands of the workers, demanded the unfreezing of their bank accounts.

In San Marcos, farmers occupied the San Dionisio de Alfredo Pellas Farm, rejecting the "national dialogue" called for by the government. In Jinotepe, workers occupied Telcor [Nicaraguan Telecommunications and Postal Services] and the rest of the population—teachers, students, housewives, and workers—joined the national protest movement.

More than 4,000 Matagalpa residents took to the streets in this city and marched in protest. They were accompanied by a caravan of vehicles, whose drivers were protesting the high cost of fuel.

The people of Esteli joined the national protest by marching through the streets to protest the generalized hunger our people are suffering and to reject the "IMF-imposed" measures applied by the government.

Various groups, tired of the government's indifference toward the people's needs, participated in the march that extended for more than ten blocks.

In Juigalpa, more than 1,500 farmers gathered around six APP [People's Ownership Sector] enterprises to prevent directors appointed by the government from assuming their posts. In the meantime, people in various neighborhoods carried out various activities as part of the national protests.

In Juigalpa and other towns in the area, the walls were painted with the slogan: "I do not get paid in gold, so I do not pay in gold." Hundreds of leaflets and buzzers [moscas] also called on the people to join the civil disobedience campaign against the government measures affecting the people.

Panama

PCC Administrator on Panama's Future Canal Role

PA0310164790 Panama City Circuito RPC Television in Spanish 2338 GMT 1 Oct 90

[Interview with Panama Canal Commission Administrator Gilberto Guardia by unidentified reporter in Panama City on 1 October—recorded; broadcast in progress]

[Text] [Guardia] ....and what this means is that as we near the year 2000, when the canal will become the entire responsibility of the Republic of Panama, we have to start taking into account the adjustments the PCC itself must make to adapt to what the canal will be under Panamanian administration. The Republic of Panama must also become actively involved and start implementing the laws which will be required when the time comes. It must create the organization to receive the canal, as is frequently being said lately.

[Reporter] In a few years the Panama Canal will be completely turned over to Panama. Do you think that the Panamanians are prepared to assume this responsibility?

[Guardia] Each time this question is brought up, it is must be looked at from two different points of view. From a technical point of view, I believe it is correct to say that we Panamanians are prepared to take over the administration and operation of the canal. Currently, 86 percent of the work force in the PCC [Panama Canal Commission] is Panamanian. That 17 percent [as heard] that is not Panamanian certainly could be, and it will be gradually replaced by Panamanians who will take over these duties. I, therefore, have no doubts whatsoever that we Panamanians are prepared, in that context, to administer and operate the canal.

The other aspect of the question is whether the nation, the Republic of Panama, is prepared to assume control from a political point of view. In this context, it is that.... [changes thought] not that there is any doubt, but we Panamanians have a job to do. We have 10 years to do it,

and I believe that this is enough time. As I previously said, however, I believe that this is the most important aspect of the job which the Republic of Panama has to fulfill in the coming 10 years.

Further on Costa Rican Embassy 'Takeover'

PA0310180590 Panama City CRITICA LIBRE in Spanish 2 Oct 90 pp 1, 22

[Report by Arnulfo Mendoza]

[Text] Yesterday, the students who had been expelled from the National Institute Secondary School symbolically took over the Costa Rican Embassy and the UN diplomatic mission for five hours.

The group's spokesman, Orlando Sanchez, who is in his senior year and one of the expelled students, explained that this action was not a takeover but a "symbolic fast" to protest against Education Minister Ada de Gordon. The education minister is currently on an official visit to Costa Rica to speak about human rights, "when she is the first to violate the human rights of Panamanian students, especially students from the National Institute Secondary School," Sanchez stated.

He added: "We are here to protest and tell the world that the minister of education in Panama is the first to violate legal proceedings against the leadership of the student movement."

The students from the National Institute simultaneously took over the office of the United Nations. They said that they were constantly threatened by officials from the Costa Rican Embassy and the United Nations during the time that they remained there.

Sanchez stated that the students never planned to take over the installations of the embassy and added that they made this clear—after they entered the embassy—to the consul and the charge d'affaires of the Costa Rican Embassy.

The students said, regarding President Guillermo Endara, that their takeover of the UN offices in Panama was due to the presence of the Panamanian president in New York, where he will deliver a speech before representatives from all the countries of the world at the "International Children's Summit." They did this to call President Endara's attention to the fact that they could not understand how he could talk about human rights and nutrition when he could not even resolve the country's internal problems, the students concluded.

Meanwhile, when asked by CRITICA LIBRE on the events and threats made by the Costa Rican diplomats, Julio Berrio, legal advisor for the Panamanian Foreign Ministry who was outside the Costa Rican Embassy grounds when the students left, said: "Each government can exercise its supreme authority inside its own diplomatic mission."

Berrio concluded: "I cannot give my opinion of what the Costa Rican Embassy officials think of the 1961 Vienna Convention. In line with diplomatic relations, however, foreign diplomats can call and request the Public Force to remove anybody from their embassies, whom they consider unwelcome at any given time. This is regulated by a multinational treaty that was ratified by most countries of the world."

* Regional Political Preferences Noted by Poll

90CA0134A Panama City LA PRENSA in Spanish 27 Aug 90 p 1A

[Excerpts] The existence of space for the appearance of a third force on the national political scene was revealed by a poll taken among 800 persons of both sexes, covering Panama City, Colon, David, Azuero, and the central provinces.

The poll, which indicates a possible repetition of the Fujimori phenomenon in Panama, was taken by Dichter & Neira Marketing Consultants, a local polling firm contracted by LA PRENSA.

A total of 51.8 percent of those polled said that, if elections were held within 30 days, they would be inclined to favor a third political force. [passage omitted]

LA PRENSA signed a contract with Dichter & Neira Marketing Consultants Corporation for the latter to conduct periodic public opinion polls and surveys, in order to keep its readers informed on issues of national concern.

These polls, with the same questions on the same subjects, will be repeated every three months, for the purpose of gauging the citizens' political behavior and the popularity of government leaders. In addition, they will include other current topics of interest.

The responses given regarding the Colina [National Liberation Coalition] and ADO-Civilista [Civic-Democratic Opposition Alliance] political groups and a third force, showed a significant decline in the popularity of the present government, which came to power with a margin of three to one. A total of 48.2 percent of those polled replied that, if elections were held today, they would be totally unwilling to vote for the government.

The results showed 2.2 percent sympathetic toward Colina; 40.3 percent,toward ADO-Civilista; and 51.8 percent, toward a third force.

It was only in Azuero that 60 percent of those polled gave a favorable opinion regarding ADO-Civilista. In David, Colon, and Panama City, where most of the voting population is concentrated, those responding to the questions were in favor of a third force.

Support for Civic Crusade Continues

One telling feature of the poll is reflected by the fact that the majority of those queried do not consider the

National Civic Crusade a member of the political coalition in power. As a result, 52.6 percent described the administration of the National Civic Crusade's director, Tomas Herrera, as excellent.

During the last electoral contest the National Civic Crusade was a member of the Democratic Opposition Alliance, which later called itself 'Civic.' Nevertheless, the Crusade's leaders, without announcing what role they are playing in the government alliance, and although some of its members are in the government, have decided to join together in a foundation, apparently throwing away the political potential that they have, as reflected in the poll. Judging from the responses, those interviewed do not perceive the Crusade as part of the government alliance.

As for the political parties, when those polled were asked which party best represents their interests, 14.3 percent were inclined in favor of Molirena [Nationalist Republican Liberal Movement], 12.8 percent favored the Christian Democratic Party [PDC], and 10.0 percent responded in favor of the Authentic Liberal Party.

In Panama Province, 13.5 percent were inclined in favor of PDC; and, in Colon, 15.0 percent favored Molirena. In Panama City, Molirena received 11.7 percent. The Arnulfista Party, together with PCD, received 7 percent in David; while Molirena obtained 19 percent in the same city. In Panama City, the Arnulfista Party received 7.4 percent.

Insofar as Colon is concerned, the Arnulfistas and the Christian Democratic Party obtained 13.0 percent, while Molirena received 15 percent.

In Azuero, the Authentic Liberal Party received 10 percent acceptance; Molirena, 25 percent; the Arnulfista Party, 15 percent; and PDC, 10 percent.

The questionnaire demonstrated that there is no political opposition in Panama; or, at least, that people do not consider it belligerent.

When the popularity of the parties comprising the progovernment slate in the last electoral contest was gauged, only 1.1 percent indicated that the Democratic Revolutionary Party is the one best representing their interests; and the rest of the parties in the Colina, Pala [Labor Party], Republican, and Liberal coalition did not even score in the poll.

As for the popularity of the politicians in this alliance, the opinion of those queried revealed that Carlos Duque's popularity scores 4.7 percent, while 63.2 percent regard Duque's performance as poor. [passage omitted]

Argentina

Menem's Activities, Meetings in U.S. Reported

PY0410002290 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0012 GMT 3 Oct 90

[Text] Washington, 2 Oct (NA)—After meeting with U.S. Treasury Secretary Nicholas Brady and U.S. Treasury Under Secretary David Mulford tonight, President Carlos Menem said Argentina will negotiate new economic and financial strategies with the United States and creditor banks to make possible a 50-percent reduction of its foreign debt.

The Argentine head of state said that one of the possibilities discussed is to reduce by half the nearly $60-billion Argentine foreign debt under a scheme which, as reported by Ambassador Guido di Tella, could have some points in common with the Brady plan.

Menem made these statements to the press at the residence of Ambassador Di Tella after meeting for nearly 30 minutes with Brady and Mulford. Menem admitted that debt-investment swap is one of the debt-reduction mechanisms being considered, while Ambassador Di Tella indicated that "taking into account Argentina's peculiarities, privatization" could be one of the mechanisms.

The president stressed: "The meeting was very positive, and we received the full support of the United States." He added that "the treatment of the Argentine foreign debt and the possibility of reducing it" were analyzed. The Argentine head of state said that the foreign debt "is the subject of a continuous and unhindered dialogue."

Mentioning "the Mexico case" as an example, Menem said that "the preferential treatment accorded by the United States to other countries" will be analyzed to serve as a model for the Argentine approach to the debt problem. Menem also reported that they had talked about debt reduction and that, "as one of the possibilities, they talked about a 50-percent reduction."

Menem declined, however, to make a final assessment of the results of the talks with Brady, asking "the Latin American countries that are waiting for the results of our negotiations" to please "have patience and wait a little longer."

The president was accompanied by Foreign Minister Domingo Cavallo; Felipe Sola, agriculture, livestock, and fishing under secretary; Daniel Marx, financial representative to the United States and Canada; and Ambassador Guido di Tella.

It was Di Tella who said that "there is not the slightest doubt that when negotiations with the creditors are sufficiently advanced, the Argentine debt will have been reduced." He added: "It will be some sort of Brady Plan, not in its original form but in one that will be tailored to our case." The ambassador affirmed that "the formula will contain the important component of debt reduction via privatizations, with characteristics suited to Argentina."

Menem had asked Bernard Aronson, under secretary for inter-American affairs, for the elimination of the 15-percent customs fee charged on 20 of the main products exported by Argentina to the United States.

The Argentine president also met with U.S. Defense Secretary Richard Cheney and talked with him "about the situation in the Persian Gulf," Presidential Spokesman Humberto Toledo reported. He also reported that Cheney told Menem that "the morale of U.S. troops is fine and they expect the conflict to reach a satisfactory solution."

Menem talked with representatives of the Jewish organization B'nai B'rith, who asked him for his good offices on behalf of Jews living in Arab countries. He also met with representatives of the America's Watch human rights organization.

The head of the Jewish delegation, Ken Schinder, said they thanked Menem for his efforts toward the reunification of Syrian-Jewish families and asked him to mediate so that 4,000 Jews living in Syria "can have the freedom to go wherever they wish." Toledo reported that Menem told his Jewish visitors that he has "official information that 50 families want to be reunited with their relatives in Israel" and that he is working with Syrian President Hafiz al-Asad and Argentine Ambassador Ali Munir Menem "to make that reunification possible."

The delegation expressed its thanks for Argentina's condemnation of UN Resolution 379, which equates Zionism with racism. The Jewish group also announced that Menem had promised to visit Israel next year.

Accompanied by Foreign Minister Domingo Cavallo and Ambassador Guido di Tella, President Menem this morning was visited by several members of the U.S. Cabinet and will meet with other officials from this country this afternoon. Menem will meet with Foreign Trade Representative Carla Hills and Commerce Secretary Mosbacher and will go to Capitol Hill to meet several U.S. senators, including Democrat Edward Kennedy and leaders of the Democratic and Republican blocs.

At a dinner with U.S. entrepreneurs from OPIC—a nongovernmental organization of important U.S. businessmen—Menem was filled in on important investment projects being implemented in Argentina. OPIC confirmed that it will send a delegation to Argentina in the first week of March 1991.

The presidential spokesman said that OPIC "has guaranteed U.S. investments of $800 million and $400 million before the end of the year." He also announced that OPIC is studying several undertakings in Argentina, including a methanol gas [as received] plant in Tierra del Fuego.

Second Stage of Pardons Promised by Year End

PY0310124290 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2227 GMT 2 Oct 90

[Text] Washington, 2 Oct (NA)—President Carlos Menem stated here today that he will complete the second stage of pardons for military men and civilians "before the end of the year," although he again declined to set the date when the decree will be issued.

Speaking to the Carnegie Benefit Fund, Menem refused to confirm the remarks by General Antonio Domingo Bussi, retired, the former de facto governor of Tucuman, who yesterday said in Argentina that the presidential pardon will be issued next month.

Menem said that the statement "is Bussi's responsibility." He thus avoided giving a precise date for the pardon.

The president was consulted about the position of the Republican Force Party leader who visited former commanders Jorge Videla, Eduardo Massera, and Roberto Viola at the Magdalena Penitentiary to tell them of their imminent pardon.

Speaking to reporters covering his trip, and in direct communication with Buenos Aires radio stations, Menem said that "before the end of the year the pardon will be ready," and that it will include "commanders of the Armed Forces and civilians."

He explained that in this second stage, the presidential pardon will include military men and civilians who were "involved in that black period of Argentine history," referring to the confrontation between subversives and Armed Forces during the last de facto government.

"I want to repeat what I have been saying for some time: The pardon will be ready before the end of the year, but do not ask me for a date," said Menem.

President Menem To Visit PRC in November

PY0410024490 Buenos Aires DYN in Spanish 2342 GMT 3 Oct 90

[Text] Beijing, 3 Oct (REUTER)—Diplomatic sources reported today that Argentine President Carlos Menem will make a three-day visit to the PRC in November. The sources added that Menem will make a stop in Beijing after participating in the crowning of new Japanese Emperor Akihito on 12 November.

A Latin American diplomat has said that the PRC Government is trying to establish relations with Latin American countries and has asked the chiefs of state of the region to visit that country.

IMF Cancels $240-Million Loan Installment

PY0410020090 Buenos Aires BUENOS AIRES HERALD in English 3 Oct 90 p 3

[Text] (DYN)—Argentina will not receive the third installment of the stand-by loan granted by the International Monetary Fund (IMF), due to the government's failure to fulfill the IMF's fiscal conditions, Treasury officials announced yesterday.

This installment, which forms part of a 240 million credit line negotiated with the IMF, was conditional on the success of specific economic objectives spelt out in the government's letter of intent to the IMF.

The future disbursement of the instalment, the IMF has now said, will depend on the government's ability to carry out the reforms detailed in the recent Omnibus state reform decree, number 1757.

* 20 Percent Reduction in Federal Work Force

90SM0243A Buenos Aires LA PRENSA in Spanish 15 Aug 90 p 1

[Text] The economic team is working against the clock to put together a package of measures to cut more fat out of government spending, a package that will include severe personnel cuts in state-run enterprises. Such cuts will no doubt extend to the civil service as well.

The bill under study calls for a 20 percent cut in the staffing of state-run enterprises by January 1992; the severance pay will be financed with the proceeds of two loans that the World Bank will be granting before the end of the year.

A spokesman for the Ministry of Economy indicated that the brand-new secretary of public enterprises, Luis Prol, has already signed a letter of intent with the bank to secure the disbursement of the loans as soon as possible.

These severe personnel cuts will be combined with the removal and replacement of more than half of the government-appointed overseers of state-run enterprises. It was even said that the legal category of people running these companies would change, depending on how they were managed before the decree ordering the creation of the oversight posts was issued a year ago.

To this end the administration will appoint, as in the past, "administrators" in ENCOTEL [National Enterprise for Mail and Telegraph] and the General Administration of Ports.

In contrast, and according to a report furnished by a reliable source in the Ministry of Economy, the old system of shared management or a board of directors will be replaced in the case of YPF [Government Oil Deposits], State Gas, and ENTEL [National Telecommunications Enterprise] by a president and a vice president.

As for the plan to cut personnel, today is the deadline for the overseers of the various government-run enterprises

to submit to the Ministry of Economy an optimal-staffing plan, based on which the new organizational chart of workers at each of these enterprises would be drawn up.

The new measures, which will be contained in an omnibus decree similar to number 435, which was made public on 4 March, will no doubt be disclosed next weekend.

The plan, which according to some officials "is designed to drastically correct the deviations" that occurred when Decree 435 was not properly applied, will also call for sanctions for officials who do not comply with the new provisions.

Among other things, the bill also calls for enterprises and agencies that hire services or purchase goods of any sort to make payment without delay.

This will prevent a further increase in the mutual indebtedness of state-run companies. The most notorious example of this is the YPF, which currently owes around $1 billion to the other enterprises in the system.

As for debts already on the books, the decree will reportedly encourage enterprises to reschedule them so that a cash-payment plan can later be established. What is more, immediately after President Menem signs the announced tax-moratorium decree, state-run enterprises must "without fail" join the system to bring their debts to the General Tax Directorate up to date and agree to pay them.

The purpose of the new measures is to intensify the fiscal austerity plan, the flexibility of which the International Monetary Fund objected to during a visit that Finance Undersecretary Saul Bouer paid to the IMF.

Replacement of Overseers

All day yesterday most of the overseers of state-run enterprises were filing in and out of the Ministry of Economy, Luis Prol's office to be more exact, submitting their resignations to him.

The en masse resignation coincides with the expiration of the decree under which President Menem created the post of overseer, which was initially supposed to last for 180 days but was later extended for an equal period.

Almost coincidentally, and with looks on their faces not at all like the ones they had when they began their jobs, the officials indicated that they had applied the austerity standards of Decree 435 in their respective areas of responsibility properly and to the extent that they were able to do so.

The Ministry of Economy blamed many of them for not having cut overtime, for not notifying personnel up for retirement often enough, and for barely having reduced purchases of goods and services.

Much has been said about those who may remain and those who may not remain in their posts. The fact is that the economy minister himself indicated at the close of a lecture at the Institute for Latin American Integration (INTAL) that the replacements would be disclosed this weekend. Referring to the new people in charge of each enterprise, the minister indicated that he was looking for people who meet "the most appropriate profile for running them, accompanied by a management audit."

For the time being the presumption is that the overseers of State Gas, Luis Suarez Linch; of Greater Buenos Aires Electrical Services, Gustavo Petracchi, and of the Railway, Julio Savon, who is in poor health, will be replaced.

As for Carlos Alderete and Carlos Pizarro remaining on as heads of Water and Power and the YPF, respectively, a high-level source in the Ministry of Economy indicated that "they are labor leaders, which means that keeping them on is more or less like having a fox in the hen-house."

When all is said and done, the final decision seems to be in the hands of President Menem himself, who will have to choose the new people in charge of each area from among those proposed by the Ministry of Economy.

* Menem's Strategy for 1991 Elections Analyzed

90SM0264A Buenos Aires LA PRENSA in Spanish 26 Aug 90 pp 1, 4

[Report by Daniel Lupa]

[Text] There are two reasons why Menem has suggested that the Peronist Party's nominating process ought to be postponed until next year: a) To see to it that 1990 is a calm year as far as campaigning is concerned; b) To have enough time to draft plans for building a movement that will enable him to gain control of the party machine and promote a new bloc of his own national legislators who can assure him a majority in Congress.

It does not take much effort to realize that if the battle for nominations were held right away, the unstable economic picture would act as an additional distortion, besides the factors stemming precisely from the shaky political situation, which primary elections alone can overcome, for the time being.

Even if it were limited just to the party's nominations, a primary-election campaign could bring to bear on the economic authorities pressures as strong as or stronger than those created by a national election campaign, because the supply and demand of benefits that are technically impossible to provide today would come into play.

Those who are nowadays planning the political steps that the president may take must be thinking that he might as well take advantage of the little time remaining and hope for a striking change in expectations. Making it into 1991

is a matter of seven to nine months from now, a far from negligible period of time given the course of action under study.

One fact that bears keeping in mind about these lapses of time is that the obligatory congressional recess begins in 40 days. This will no doubt make for streamlined operations based not so much on congressional deliberations as on the "ad referendum" management of Congress.

Thus, government "by decree" during the October-April congressional recess will likely surmount the many obstacles arising from the legislative reluctance of the Peronist bloc, which is in the majority but gives Menem scant support.

Simultaneous Chess Games

Menem's political planners feel that the significance of the resolution by the Peronist National Council last Thursday, which urged the districts to postpone primaries until next March, will depend on the reactions that it prompts in the interior of the country. Above all, however, they see it as an initial test in which negotiations will shed light on the Menem faction's real prospects of putting together a movement that will assure him greater party power and a decisive say in the designation of candidates.

At bottom, the speculation is whether Menem ought to combine the selection of party officials with the selection of gubernatorial and legislative candidates.

The attempt reduces the negotiations to a single flank, a gambit that in principle seems risky because it means putting all one's trump cards on the line in a single bet. By the same token, however, it focuses the negotiations on a single stage, thus allowing for the interplay of more varied options. Local posts could be exchanged for national positions; or internal posts could be exchanged for national elected offices, or lastly, candidacies for high-level internal posts could be exchanged for nominations for high-level public office. A two-stage selection would, in contrast, restrict these options and make the outcome dependent on a less malleable equation.

"It's like playing simultaneous games of chess," one of Menem's alleged political planners reasoned. "The effort that is put into one game provides strategic experience for the others. Fundamentally, however, it conserves effort and allows for the balanced development of the whole."

The fact is that the plans provide for the possibility that the Menem faction will go on a general offensive that will enable the president to do more or less what he did in 1988, when thanks exclusively to his charisma, without a machine and without concessions to the officials of political labor-union Peronism, he was able to undertake the difficult nomination battle and overcome Cafiero and, above all, the skepticism of a public that thought he had no chance of winning.

If Menem agrees to take the course of action recommended in these plans, he must begin right now to build a scenario in which he can head up a nomination battle where he will not be a candidate, but one which will be subject to the general rules that enabled him to prevail in 1988. With one additional capability that did not occur to him or that he was unable to include in his plans in 1988: he must be able to personally select the candidates in each district lest he again run the risk of insufficient support in Congress.

Governors: One Step to the Front

In order for Menem to accomplish this, he will have to find appropriate arrangements so that each provincial caudillo, each Peronist governor, or each local power broker will agree to recognize his central leadership. This means that something quite a bit broader than the mere election of governors and deputies could be at stake in 1991.

All of this means that from now on Menem will have to negotiate power in each district. Concurrently, there will be gubernatorial elections. Do the Peronist candidates have enough of a political presence and sufficient power to get elected even if the central party leadership does not? Moreover, how many of the strictly Peronist Party arrangements will be around in eight or ten months when the nomination battles take place? Or will Menem be able to lean reliably on coalition candidates?

There would seem to be a solid foundation for him to do this in the province of Buenos Aires when we consider the case of Deputy Alberto Albamonte, who was also the head of the no vote campaign, especially, after the outcome of the plebiscite was given a personal slant. And we should not rule out a repeat of this in Santa Fe because Carlos Castellani is seeking the UCD [Democratic Center Union] gubernatorial nomination in a campaign that contains this intriguing and compromising biographical note: "At the beginning of this year (Castellani) was called upon to serve as the nation's undersecretary of industry by President Menem's administration" (sic).

All of this means that if Menem approves the plans that are under study at present, in an initial stage he will look to the leadership in place in the provinces. But this would not be his sole strategy, because he could also avail himself of certain nominal alliances to condition the support of these same local caudillos in the elections of party officials. Trusting in his own presence and prestige—and those of his allies—he could do battle with certain caudillos who may try to fight him or else in districts in which Peronism is so badly splintered that it is no longer assured victory as it used to be.

The Immediate Doubts

One point that is not clear is whether a plan like this can work in light of the accelerated dynamics of the present day.

The question that appears in some of the studies summarizes this concern: "Is there enough time?" This is what Menem's political "planners" are wondering.

Time to do what? The question would seem to mirror some of the observations at the beginning of this analysis. I say this because after asking this question, the studies conclude that if the objective is to gain more power in order to implement the economic program, the program itself may not enable Menem to wait until after December 1991 (when the new deputies for whose nomination the plan is being drafted will come on board).

* Menem Urged To Strengthen Economic Measures

90SM0243B Buenos Aires LA PRENSA in Spanish 12 Aug 90 p 5

[Report by Roberto H. Cachanosky]

[Text] Although the victory of the no vote last Sunday is limited, in principle, to not amending the current constitution of the province of Buenos Aires, the outcome also has political implications and, therefore, could have an impact on the economy.

The advocates of a yes vote were, in fact, primarily the Cafiero and Alfonsin supporters. These two party factions are characterized by their opposition to any economic policy based on a free market, privatization, and cuts in government spending. In other words, the agenda of both the Cafiero and Alfonsin factions calls for a country whose economy is tightly managed by the State and in which there is no room for sweeping changes in the public sector. Accordingly, it bears recalling that during the Alfonsin administration both he and Cafiero were constantly making deals about power-sharing but never took it upon themselves to back a market-based economic policy.

The avalanche of votes that buried the proposal to amend the provincial constitution shows, in my judgment, that the electorate has decided to downgrade the Cafiero and Alfonsin factions. In other words, a majority of public opinion sees the two factions as inefficient in public office; therefore, voters have rejected their proposals.

If my reading of what happened at last Sunday's election is correct, it means that any criticism that either the Cafiero faction or the Alfonsin faction voices of the administration's economic policy is going to be given very short shrift by the electorate.

In light of this, Menem has a clearer road ahead of him to carry forward the structural reforms that he has been proposing. This means that the political debate on his economic policy could turn out to be much easier for him.

If Menem is able to take advantage of this development, he could achieve faster economic growth. In other words, given that investors seek safety under the law and that the Social Democratic agenda of the Cafiero and Alfonsin factions has been downgraded in society's eyes, greater resolve on the president's part in implementing the announced reforms will present the advantage that for the time being the Cafiero and Alfonsin factions have ceased to be a threat to economic development. Investors will feel safer if these two political factions do not have a chance to come to power.

What unfortunately worries me is that Menem will now want to amend the National Constitution. It worries me because although the constitution is not perfect, it is good enough to allow for the country's development. To put it in different language, just like the constitution of Buenos Aires Province, the National Constitution does not contain a single article that prevents the president from carrying out the reforms that he is proposing. What is more, in one way or another the National Constitution, both in letter and in spirit, demands that the government cut spending, privatize, and deregulate the economy. Therefore, if the constitution contains all of the elements needed to develop the country, why amend it? Won't there be a delay in investments owing to uncertainty over what the letter and spirit of the constitutional reforms are? Will the reforms that he seeks to introduce be limited to the length of the authorities' terms of office, or will they include greater power for them? I think that calling for a constitutional reform today entails the risk of delaying economic growth. If there is anything that we must keep clearly in mind, it is that the country stopped growing as soon as the National Constitution began to be ignored, not only in connection with how we elect our governors but also as regards the liberties of the people and the limits on government.

Less Optimism

Moving on to the macroeconomic topic of the week, I think that this is a good time to underscore how volatile the mood of economic agents is.

For the past three or four weeks it has been all optimism. This week, however, the optimism began to fade. The fact is that the 10.8 percent jump in the cost of living in July was a loud warning that stability has not yet arrived. And the July inflation number is made worse by the prospect of 13 to 15 percent inflation in August.

The delays in the transfer of ENTEL [National Telecommunications Enterprise], problems cropping up in the purchase of Aerolineas Argentinas, and the increasingly shaky budget surplus, came together prompting economic agents to start taking positions in dollars, just in case.

No less worrisome to market operators was the reappearance of off-budget spending [gasto cuasifiscal] through swap operations with Bonex [Foreign Bonds] that the Central Bank is engaged in.

As in the finest days of the Springtime Plan and the BB [expansion unknown], the Central Bank of the Argentine Republic is issuing currency first and then trying to regulate the amount of money by paying a price in the form of interest.

In effect, by selling Bonex for cash and then repurchasing them later at a higher price, what the Central Bank is doing is paying interest to momentarily soak up liquidity on the market. At maturity, however, it must pay up the principal (the repurchase of the bonds), plus interest; in other words, it is making sure that more money will be printed in the future. If this pattern continues to repeat itself, the snowball effect is going to start up again, just as it did in the past with the unavailable deposits, the CEDEP's [expansion unknown], and the government bonds.

Reducing reserve requirements in order to finance loans to small and medium business is another mistake by the administration. In the first place, because such loans do not come from genuine savings but instead simply represent the issuance of additional currency and, therefore, cause inflation. And second, if there are loans for small and medium business, why aren't they made available to economists, barbers, and dentists too? Why small and medium business and not others?

If we start having privileges for some sectors again, the inevitable forecast will be another bout of hyperinflation.

The political slap in the face that the Cafiero and Alfonsin factions got on Children's Day paves the way for Menem to move ahead more quickly with structural reform. Let us hope that he is able to take advantage of this opportunity to stabilize the economy so that we can thus begin growing once and for all.

Bolivia

Government Guarantees U.S. Ambassador's Security

PY0310142690 Buenos Aires DYN in Spanish 1315 GMT 3 Oct 90

[Text] La Paz, 3 Oct (REUTER)—Minister of the Presidency Gustavo Fernandez said yesterday that the Bolivian Government guarantees the physical security of U.S. Ambassador to Bolivia Robert Gelbard, whose life is reportedly in danger.

Fernandez told reporters that "our mission is to guarantee the security of everyone, even more so if they are diplomatic representatives." He added that "we are handling this case very carefully."

Gelbard was warned by General Lucio Anez, the commander of the Antinarcotics Force of Bolivia, that his life is in danger and that a paramilitary organization self-styled "Friends of Death" ["Novios de la Muerte"] have reportedly received instructions to assassinate the diplomat.

According to official information, the order to assassinate Gelbard was reportedly issued by Luis Arce Gomez, a former interior minister during the military regime of General Luis Garcia Meza, from his cell in Miami where he is awaiting trial for his involvement in drug trafficking activities.

Arce Gomez, who is known as the "Cocaine Minister" in U.S. circles, was captured in Santa Cruz in December 1989 and immediately expelled [expulsado] to Miami on orders of the Bolivian Government.

According to press reports that were subsequently confirmed by the U.S. ambassador, the former minister is reportedly seeking revenge for Gelbard's alleged cooperation in his capture and subsequent expulsion.

Minister Fernandez on Security

PY0310144290 La Paz La Red Panamericana in Spanish 1130 GMT 3 Oct 90

[Text] In the opinion of [Minister of the Presidency] Dr. Gustavo Fernandez, it is the duty of the government to protect all Bolivians and also the diplomats accredited to our government.

He said that the U.S. ambassador's remarks on a possible attack has raised concern and, at the same time, forces them to take the most appropriate measures to protect him.

President Removes Army, Air Force Commanders

PY0310222690 Madrid EFE in Spanish 2113 GMT 3 Oct 90

[Text] La Paz, 3 Oct (EFE)—Bolivian President Jaime Paz Zamora today decreed the removal of two Armed Forces commanders in such an unexpected manner that even the defense minister only learned of his decision at the last moment. Army Commander General Rolando Espinoza Lora—whose removal was recently requested by unidentified military sectors—and Air Force Commander General German Callejas Fuentes have been relieved from their posts.

The new Army commander is General Guido Sandoval Zambrana, who served previously as Army chief of staff, and the new Air Force commander is General Alejandro Camponovo Ulloa, who had been the commander of the First Air Brigade.

On 16 May [date as received] the newspaper LA RAZON reported that, according to a confidential document delivered to a government intelligence office, "a clandestine group of generals" had met two days ago in Cochabamba to request the removal of Gen. Espinoza Lora. The unidentified generals accused Espinoza of carrying out "a campaign to discredit" the force "and his removal was decided on in the first days of October," the newspaper stated.

Armed Forces command sources cited by LA RAZON downplayed the demand for the removal of Gen. Espinoza and said that this military movement cannot be qualified as "a plot" but rather "a mutiny that deserves drastic sanctions."

After being relieved from his post today, Gen. Espinoza said that his removal was not the result of these pressures, but he added that those responsible for them will be punished.

Defense Minister Hector Ormachea denied that there had been any pressure for the removal of the commanders, an action he considered to be normal movement within the military command.

"Last year, when appointing the military high command, the president clearly said that they would remain in their posts for one year. That year has passed, so it is logical, natural, and biological [biologico] for the corresponding changes to be made after such time has passed," the defense minister said.

The appointments made today confirm General Jorge Moreira Rojas as commander of the Armed Forces and Vice Admiral Anibal Gutierrez Chavez as commander of the Navy.

The defense minister admitted that he learned of the changes decreed by President Paz "at the last moment," which yesterday made him suspend the tour he was taking in the interior. "I was in Santa Cruz (903 km east of La Paz) when I was urgently called by the president of the Republic, and it was then that I learned of these changes," the defense minister said.

Presence of U.S. Military in Tarija Rejected

PY0410113490 La Paz EL DIARIO in Spanish 26 Sep 90 p 7

[Text] Tarija, 25 Sep (EL DIARIO)—Julio Rodriguez Torres, COD [Departmental Labor Federation] Relations Secretary, has said that Tarija does not need the help of U.S. soldiers to control the erosion in the central valley because we have an organization to handle this type of work. Rodriguez also termed the announcement by the Tarija Prefect as hasty.

Rodriguez said that Tarija will reject any attempt to resort to the use of U.S. military men for this task because it may be a pretext for meeting other objectives, such as the case of Potosi where toxic waste was reportedly buried.

Tarija Prefect Gustavo Aguirre Perez has announced that he has asked the president of the Republic and the defense minister to authorize U.S. military experts to control the erosion, an escalating problem that demands international cooperation.

Rodriguez also said that organizations such as the Codetar [Tarija Public Works and Development Committee], PERTT [expansion unknown], Senac [National Highway Service], the Mayor's office, and others may use the machines to move soil and to build dams.

Aguirre had said that U.S. experts will remove soil and build dams using sophisticated machines and equipment that will greatly help to control erosion in the Tarija central valley and in other areas.

Police Chief Acquitted After Failing To Testify

PY0310213090 La Paz PRESENCIA in Spanish 27 Sep 90 p 7

[Excerpt] The Constitution and Justice Commission of the Chamber of Deputies has acquitted Police General Commander Felipe Carvajal Badani, who was suspended after failing to answer a congressional summons to testify. The commission gave the Sucre police 48 hours to submit a final report on an incident in which an ADN [Nationalist Democratic Action] deputy was allegedly attacked.

As we recall, the police chief was suspended after he allegedly failed to answer a summons from Congress to testify on the incident in Sucre. The commission decided that there was no expressed purpose to ignore the summons from the legislative branch. [passage omitted]

Details on Antidrug Operations in Santa Cruz

PY0310232590 La Paz PRESENCIA in Spanish 28 Sep 90 p 1

[Text] In simultaneous operations carried out in Cochabamba, Santa Cruz, and Beni Departments on 27 September, the Special Antinarcotics Force (Felcn) broke up an international network of drug traffickers who managed to hide themselves in entertainment areas and maintain contacts with [word indistinct] operating in neighboring countries. The authorities did not want to provide details on the operations, which took place on 26 and 27 September. They admitted, however, that these operations could be viewed as some as the most important carried out in the country in the past few years.

Interior Minister Raul Loayza said: "We are still conducting investigations in the case."

The police operation began on 26 September in the township known as Bollerio, near Isinuta in Cochabamba. According to previous reports, cocaine paste was processed in this zone and then transported to Santa Cruz and Beni, where a laboratory for the cocaine crystallization process was located. The international contacts were carried out in Santa Cruz.

According to authorized sources, for several months the intelligence services have been conducting a thorough investigation into the activities of the gang, but they did not want to take action until some reports were verified. The arrest of some drug traffickers in Cochabamba proved that the previous reports were true and a simultaneous operation was ordered. Several houses were raided in Santa Cruz and Trinidad; some airplanes were also seized at the El Trompillo airport during these operations.

According to an official report released in La Paz on 27 September, the following people have been arrested:

Carlos Hugo Balcazar Rea, Luis Carlos Cordova, Simon Eduardo Retamozo Rojas, Gerzon Koczy Guardia, Julio Sanchez Sanchez, Iver Miranda Oliva, Nelson Rafael Enriquez, Elvira Vaca Ayala, Luis Mercado Justiniano, Jorge Luis Ortiz Lopez, Jose Quiroga Salanca, Hitler Salas Parada, Carmelo Dominguez Vaca, Juan Carlos Pommier Butron, Janeth Balzacar Vaca, Martha Mejia Vaca, Saida Luna de Gamarra, and Gerardo Benegas Vargas.

Ten small aircraft were confiscated and submitted to the "narcotest." The results of the test showed that they had transported cocaine. The confiscated planes bear the following license numbers: CP1669 and CP1797, owners unknown; CP1662, possibly owned by Conrado Ruiz; and CP1894, CP169, and CP2090, owned by Alberto Robles Garcia, Gerson Koczy Guardia, and Guillermo Gutierrez Abrego, respectively.

The police also confiscated approximately $100,000 that had been deposited in a special fiscal account, according to the official report.

Government To Request Increase in Tin Exports

PY0310224090 La Paz PRESENCIA in Spanish 25 Sep 90 p 1

[Excerpts] Mining and Metallurgy Minister Walter Soriano Lea Plaza said yesterday that Bolivia will propose an increase in its 1990 export quota to the mining ministers of the Association of Tin-Producing Countries (APPE).

Soriano said that Bolivia's position at the APPE preparatory meeting, which opened in Cochabamba yesterday, is aimed at getting an export quota larger than the 14,000 metric tons authorized at the 1989 meeting of mining ministers.

Soriano noted that Bolivia will produce more than 14,000 metric tons during the 1990-1991 period due to greater production from medium-size mines and mining cooperatives.

Soriano believes that the APPE can increase Bolivia's quota by reducing the quotas of other countries according to their production. He said: "The APPE should adopt an impartial and balanced decision by which export quotas can be increased according to production." [passage omitted]

Soriano also referred to the Brazilian decision to attend the meeting as an observer despite the negotiations that the Bolivian Government has been carrying out with Brazil since August.

Soriano warned that gloomy days are ahead for this organization if Brazil does not join the APPE because tin prices could fall even further now that the mineral will have a global demand of 190,000 metric tons in 1990.

He added that APPE will be under the Bolivian presidency due to the alphabetical system implemented in 1984.

Brazil

193 Hostages Held in Baghdad Fly Home

PY0310173690 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 3 Oct 90

[Text] A plane carrying 193 Brazilians who were held in Iraq has taken off from the Baghdad airport for the 16-hour flight to Brasilia. Eighty-two Brazilian workers remained in Iraq because exit visas have not been granted to them.

The 173 Brazilians who were retained in Iraq are now flying to Brazil, where they should arrive before dawn tomorrow. Twenty other Brazilians are also aboard the Iraqi Airways plane.

The 82 workers of the Mendes Junior Construction Company who did not obtain their exit visas will remain at the company's camp site near Baghdad awaiting new negotiations.

Itamaraty denied today that President Fernando Collor had criticized President Saddam Husayn. Itamaraty spokesman Jose Vicente Pimentel has asserted that President Fernando Collor did not make any statement critical of Iraqi President Saddam Husayn.

[Begin Pimentel recording] This has already been denied by the U.S. officials. Under Secretary Aronson declared today that his statement to the press had been misreported. [end recording]

The 173 Brazilians who already have exit visas will have to endure a 16-hour flight. Only a stopover in Casablanca, Morocco, is scheduled. They should arrive in the Brasilia international airport between 0200-0400 tomorrow. A meeting has been going on since noon at Itamaraty to arrange a reception for the arriving group of Brazilians. They will be greeted by President Fernando Collor.

Ministry Protests Further Delays

PY0410025090 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 3 Oct 90

[Text] Acting Foreign Minister Marcos Azambuja has summoned the Iraqi ambassador for a meeting in Brasilia. Azambuja said that the government is concerned because the Iraqi Government has still not issued exit visas for the 82 Brazilians remaining in Iraq.

The meeting was held behind closed doors at the Foreign Ministry at noon today. Acting Foreign Minister Marcos Azambuja conveyed the Brazilian Government's message to the Iraqi Government to Iraqi Ambassador Qays al-Mukhtar.

[Begin Itamaraty spokesman Jose Pimentel recording] He expressed the country's partial satisfaction and partial disappointment, satisfaction over the Brazilian citizens who were able to leave and who will be arriving in

Brazil in a few hours and disappointment because exit visas were denied to 82 Brazilians from the Expressway group. [end recording]

Foreign Minister Francisco Rezek later said that Brazilian-Iraqi relations were somewhat strained because of the difficulties in getting the Brazilians out of Baghdad.

[Begin Rezek recording] Without a doubt, the delay in granting visas has drained much energy and used up the energy of various members of the Brazilian Government in different departments. [end recording]

The Iraqi Airways jumbo jet carrying the Brazilians will land at Brasilia Airport. The plane is carrying 191 [as heard] Brazilians: two diplomats, eight reporters, and 174 employees of the Mendes Junior, Maxim, and Volkswagen firms.

Group Wants Nuclear Sector Under Civil Control

PY0310154490 Rio de Janeiro O GLOBO in Portuguese 30 Sep 90 p 58

[Text] Brasilia—According to a secret report on the nuclear sector that a working group has submitted to President Fernando Collor, civilians should be actively involved in the sector's development. The group recommends the creation of a management structure under which civilians will supervise and control nuclear activities. Within this structure, the deliberating council will be one of the most important organs because it will accompany and supervise nuclear activities in the country. This recommendation coincides with the proposal of environmentalists who have unsuccessfully tried to control the sector through Congress, as is set forth in the Constitution.

Those who oppose the use of nuclear energy want to know what is happening beyond the walls of nuclear power plants and nuclear institutes. Thus far they have only obtained some information through the courts or through a congressional investigative committee. The Constitution sets forth that Congress will supervise nuclear research activities through a standing committee; however, two years after the promulgation of the new Constitution, nothing has been done in this regard.

The deliberating council will be made up of two chambers: the Chamber of Research and Development and the Chamber of Safeguards, Radioprotection, and Nuclear Safety. Each chamber will have decisionmaking powers within its own area. Both chambers will be presided over by the secretary of strategical affairs, who will also head the council. The president of the Republic will designate the members of both chambers, including the civilian representatives. They will have access to all nuclear facilities in the country.

The Chamber of Research and Development will comprise representatives of the ministries of the Navy, Army, Foreign Affairs, Education, Aeronautics, Infrastructure, Science and Technology; by the president of the National Commission for Nuclear Energy [CNEN]; by a representative of the scientific community; and by a representative of the business sector.

The Chamber of Safeguards, Radioprotection, and Nuclear Safety will comprise representatives of the ministries of Foreign Relations, Health, Labor and Social Security; by representatives of the Armed Forces staff; by the secretaries of the environment and of science and technology; by representatives of the scientific community; and by two civilians.

Report on Environmental Effects

PY0410014990 Rio de Janeiro O GLOBO in Portuguese 30 Sep 90 p 58

[Text] The country today has a stock of 25,000 tons of cake II [torta II] from the extraction of minerals and some 1,000 tons of low and medium-intensity waste in Angra-1 and Goiania. There is also waste produced by Aramar and research institutes and the processed fuel from reactors.

In section six of a report submitted by the Strategic Affairs Secretariat [SAE], a group of civilian and military scientists in charge of studying the effects of nuclear activities on the environment recommended the urgent selection of a "single place to serve as a nuclear dump" (italicized in the text). The report also recommended a formal ban on the "definitive dumping of liquids and gases..."

Almost four pages—82 lines—of the 63-page report deal with nuclear technology and the preservation of the environment. The scientists discouraged "the temporary dumping of waste," noting that the lack of accurate information available to the public has been one of the main reasons for the growing rejection of nuclear programs. The SAE report recommends an increase in channels used to convey information to the public on the operation of nuclear centers, the use of energy, actual risks, and safety regulations. On page 50 the report states:

"The following factors have significantly fostered opposition to the development of the nuclear sector: the fact that these activities have been linked to military weapons; the environment of secrecy that has at times unnecessarily surrounded nuclear activities; fear of the effects of radiation; distrust regarding safety conditions in nuclear facilities; doubts about the existence of safe methods for handling and dumping radioactive waste; and the failures of the nuclear program, in addition to its high cost."

The accident in Goiania was not an isolated occurrence. The risk of a new accident, the report states, calls for the creation of a system for the permanent control of nuclear medical equipment and facilities that house radioactive materials.

The section concluded by saying that the government should extend its full support to the efforts that the

CNEN [National Commission for Nuclear Energy] has made to urgently remove the drums from Abadia, Goiania.

Coffee Accord Signed With Colombian Cooperatives

PY0310171490 Brasilia Domestic Service in Portuguese 2200 GMT 2 Oct 90

[Text] Representatives of Brazilian and Colombian cooperatives today signed a protocol on coffee marketing.

The National Cooperative System and Rural Development Department [Departamento Nacional de Cooperativismo e Desenvolvimento Rural], [acronym indistinct], and the National Federation of Coffee Growers [Fedecafe] of Colombia will now integrate the cooperatives of the two countries. They will also be involved in the exchange of information on the (?export), domestic consumption, coffee preparation and processing, and the computer systems used by the cooperatives.

Agriculture Minister Antonio Cabrera voiced his opinion on the integration of the Brazilian and Colombian cooperatives.

[Begin Cabrera recording, in progress] ... extremely important. (?It represents) the integration of economic and agricultural policies between Brazil and Colombia enabling us to jointly defend coffee growing, which is so important for Brazil and for Colombia.

These are the initial [words indistinct] also technological exchange and the exchange of experience between Brazil and Colombia. [end recording]

The agreement between the cooperatives of the two countries foresees annual programs that will be submitted for the approval of the Executive Committee for Adjustments and Exchanges of Experiences in Cooperative Systems [Comite Executivo de Ajustes e Intercambio de Experiencias em Cooperativas].

* Rising Prominence of BC Head Eris Observed

90SM0268A Sao Paulo VEJA in Portuguese 5 Sep 90 pp 56-61

[Text] Some time ago, Brazilians became rather accustomed to a personality who appears more and more frequently in the media. He is as thin as a rail (1.8 m tall, weighing 63 kg), his nose is prominent, and his accent—ah, that accent!—is really something else. He tends to say "a banco" instead of "o banco," pronounce "hoje" as "roje," "zentimento" instead of "sentimento," and mispronounce the "o" in "dolar." "Non," the guardian of the budget is not Dona Armenia, the ambitious widow and mother of three "filhas homens" from the soap opera "Rainha do Sucata." The name of this personality is Ibrahim Eris, his job is president of the Central Bank, and he enjoys, with good reason, the status of rising star on President Fernando Collor's economic team.

The first time anyone heard of Ibrahim Eris was on that dismal morning of 16 March 1990, when he appeared on TV alongside Minister of Economy Zelia Cardoso de Mello to bring us some of the year's worst news—that the money in the savings and checking accounts at the country's banks would be "frozen," for 18 months. Eris aroused almost as much fear as Saddam Husayn. In the midst of a tumult of accents, figures, and contradictory information, the economic team also managed to say during that famous press conference that this money, a jackpot estimated at $80 billion, would be stored in a vault to which only Eris would have the key—the vault at the Central Bank. For the first time, the presidency of this bank, created in 1965 to watch over the health of the 2.7 billion in cruzeiro currency that Brazilians carry around in their pockets, has been conferred on someone who was not born in Brazil, but in remote Bafra, a small city of 50,000 population some 400 km from Ankara, capital of Turkey, and who completed his university education in the United States. Although the blunders he makes in speaking Portuguese are much less serious than those made by the average pupil in Brazilian public schools, the Central Bank president expresses himself in a language that, because of its resonance and odd way of matching up articles and pronouns, most people would expect to hear only when shopping in the dry goods stores along Sao Paulo's 25 of March Street, or in Belo Horizonte's Caetes district, both traditional domains of merchants of Syrian and Lebanese origin.

"Languages were never my forte," admits Ibrahim Eris, 45, who holds a PhD in economics and mathematics from Vanderbilt University in Tennessee. For 24 hours a day, Eris switches between four different languages, one for every occasion. With a girlfriend, he is often more comfortable speaking English. When asleep, he usually dreams in Portuguese. Turkish is used in his favorite activity—accounting. When he calculates the inflation rate for August, for example, he is not thinking about 10 percent a month—but about "enflasyon yuzde." And the money supply, which is equivalent to 12 percent of the GDP, is expressed in Eris's head as "para miktari milli gelirin yuzde anikibucugy civarinda." On the job as the number one monetary authority in Brazil, Ibrahim Eris resorts to a dialect: financial-technocratese.

He is an Ace

The Esperanto of the financial world includes English terms such as "oversold," which means that an institution is short of cash, and "hedge," a word that refers to an operation by a company that has decided to diversify its investments to make up for potential losses. Only a few Portuguese words are used in these circles. One of these is "pedra," which refers to a bank's day-end balance sheet in terms of numbers. Five months after the new government took office, however, Ibrahim Eris has ceased to be the subject of anecdotes, to become a vital cog in the gears of the administration's economic engine. He has gone through a process similar to that endured by Henry Kissinger—a German by birth with a most amusing accent, who played the role of Judas on Holy

Saturday for the American humorists when Richard Nixon appointed him to the post of secretary of state, but soon gained respect by his capacity for work.

Eris's immediate supervisor, Minister Zelia Cardoso de Mello, insists on consulting him on all sorts of matters, even on topics unrelated to his position. He was once even called upon to give some tips as to the directions that government agricultural policy should take, although he has only a nodding acquaintance with vegetables, tubers, harvests, and fertilizers. President Fernando Collor, who bosses both of them, usually smiles broadly when someone mentions Eris's name. "Eris is really an ace," the president says, enthusiastically. "He knows everything about the markets, so he has no rival as a trader—he perceives all the nuances, anticipates every change, and understands details that escape us mere mortals." Recently, while on a visit to Sao Jose dos Campos to get a first-hand look at Embraer's planes, Collor was bothered by a nagging worry about the impact that the invasion of Kuwait by Iraqi soldiers might have on world oil prices and, of course, on Brazil's inflation rate. To get an expert opinion, Collor might have sought out Minister Zelia Cardoso de Mello. He could also have contacted another minister—Ozires Silva, of Infrastructure—who has jurisdiction over Petrobras. Instead, he decided to get Eris on the phone and find out what the president of the Central Bank was thinking. "The reliability of Eris' information is very helpful to the president," says a high-ranking Planalto Palace adviser, referring to consultations that routinely occur at least twice a week, always at Collor's initiative.

High Turnover

As the head of an agency that until not long ago seemed like one of those hotels that rents rooms by the hour, with six presidents taking turns sitting in the presidential chair during a five-year period, Ibrahim Eris performs one of those economic activities whose effects the average citizen can more easily feel than understand their causes. An example of one remarkable result of his performance at the Central Bank is what has happened to the dollar on the parallel market since the new administration took office. For many years, the value of the dollar always rose faster than inflation. During the previous administration, the premium of the black market rate over the official rate used to fluctuate between 90 and 160 percent. Today, we see a very unusual situation: not only has the official exchange rate for the dollar headed for the stratosphere, with the price dictated by the market, but the premium is running at about 20 percent, the lowest in recent years. Although the cumulative inflation rate for the April-July period has reached almost 100 percent, last week the dollar was quoted on the black market at 82 cruzeiros, exactly the same as it was on the day the new government took office.

The most spectacular effect of Ibrahim Eris's performance, however, lies in a successful effort made to control the volume of money that circulates through the economy. Collor's economic package wrung out a sizeable portion of the money from the market—liquidity stood at about $120 billion, equivalent to 30 percent of the GDP, and now it is something like half that. Five months after the "abduction" of the bank deposits, however, the market is faced with another economic mystery—how, why, and by whose actions did it happen that the mass of money has not started growing again, as some confidently predicted during the early stages of the economic plan would happen? It has been precisely in this terrain that the president of the Central Bank has won his biggest laurels.

Able to maneuver through the labyrinths of the financial market with the familiarity of someone who has experience administering the fortunes of businessmen such as Antonio Ermirio de Moraes and powerful corporate groups such as Banco Safra, Eris is capable of mobilizing resources such as two or three tons of gold, $200 million, and six billion cruzeiros in LTN [National Treasury Bills] in a single day through instantaneous buying and selling operations—just to keep the money supply from growing. These are high-risk maneuvers in which the tiniest slip, an error in calculation, or a sudden reversal in the moods of the market can reduce the government's financial health to rubble. So far, however, it is the Central Bank president who has been the big winner.

Along with his talent as a trader, someone accustomed to playing for high stakes—before moving to Brasilia, he was an enthusiastic frequenter of the Jockey Club of Sao Paulo, the city where he used to live, and even raised five thoroughbred horses—Ibrahim Eris has another trait, his deeply-held convictions. Perhaps more firmly than any other member of Collor's economic team, Eris is fully convinced that it is by removing the money from the market that the administration can prevent the return of abrupt spurts of inflation. He employs the fairly logical rationale that there will not be enough money to pay wage increases above a certain level, or for consumers to bear up under successive increases in the prices of goods. There are economists who denounce that option as a theoretical banality whose only effect will be to throw the country down into the well of a recession that no one will be able to figure out how to end. Eris himself knows that the economy has stopped growing—but is convinced that, later, it will be possible to enter a phase of greater prosperity.

Brazilians have plenty of time ahead of them to discover whether this is a well-founded belief, or just the latest superstition to come out of the economic laboratories. What is not disputed is that it has worked. There are signs that inflation, which had never stopped rising, may stabilize at about 10 percent a month, or less. Likewise, the Mint, which has provided emergency-room care for governments that experience a hemorrhage of funds, has stopped printing money—and a good part of its activities today consist of simply taking out of circulation and incinerating crumpled and grimy bills, replacing them

with new ones that are more sanitary and have a longer life expectancy (see box, page 58).

Responsible for Success

In a country that has spent an entire decade racking up successive economic disasters, when an official comes along who succeeds—at least so far—in doing things right in a field that has ruined so many reputations, especially when this individual was born in Turkey and does not bear any illustrious surname, it causes a big academic headache. Today, many of the crowned heads of Brazilian economics cannot make up their minds about whom to hold responsible for the success. Was it Ibrahim and his infernal capacity for mathematical calculations? Or was all this the effect of a single cause, whose name is President Fernando Collor de Mello? Or was it Zelia's economic plan?

In this kind of debate, there is unanimity concerning Ibrahim Eris. Three former finance ministers from the previous administration agree on one point—he is tops. "That he is exceptionally well-prepared for the job is beyond question," says Francisco Dornelles. "Problems may crop up in the future, but he is excellent, really excellent," says Bresser Pereira. Another former finance minister, Mailson da Nobrega, thinks that Ibrahim is an economist of a special breed and recognized talent, but calls attention to an important difference. "The Central Bank has an impeccable reputation and its policies enjoy the backing of the president of Brazil," da Nobrega points out.

With few exceptions, most economists feel very comfortable praising Ibrahim Eris—but, in general, they are always very careful to associate his achievements with the president of Brazil or at least with some specific measure, such as the so-called "Zelia's economic plan." Speaking with the authority of one who held the same post in the Figueiredo administration, Professor Affonso Celso Pastore thinks his colleagues should be more humble. "The credit for today's satisfactory behavior of the economy must be attributed to the Central Bank pilot to a much greater extent than economists are willing to admit," says Pastore. "What Eris is doing does not hinge on any economic plan."

Along with all his laurels, Ibrahim Eris's files also contain one of the murkier aspects of the government's economic package. We refer to the fact that, two months after $80 billion was frozen at the Central Bank, few businessmen still held any government-blocked reserves. This situation leaves the nagging suspicion that, by one of those curious economic sleights of hand, an economic plan that at birth asked for sacrifices from everyone has, once again, attached itself firmly only to the backs of the little people. In this regard, Ibrahim Eris can say that he took the trouble to investigate the bank accounts of thousands of government agencies that are said to have gotten involved in irregular transactions to convert cruzados novos into cruzeiros—and found only about ten proven instances. He forwarded those complaints to offices assigned to make more detailed investigations. He also personally checked into accusations made against big companies that are supposed to have filled their coffers with cruzeiros—and insists that he found nothing. "That sort of thing did not happen," he said. "I can say so with certainty. As you know, bank confidentiality does not apply to me," he adds, recalling one of the Central Bank president's more fearsome prerogatives.

No Private Plane, No Waiters

At the Central Bank, Ibrahim Eris heads an administrative structure that is a model of austerity. Of the 2,000 interns that had been working there, 800 have been sent packing. The board of directors' private jet was put on the auction block, along with 20 automobiles bearing official white license plates and once used by the executives. Today, [Central Bank] President Ibrahim Eris takes the wheel of his own car, a Volkswagen Santana, and does not even have a waiter to serve coffee in his private office. When he wants a cup of coffee, black tea, or apple tea, following a ritual he repeats dozens of times a day, he serves himself from a thermos.

A millionaire as a result of repeated successes on the Sao Paulo stock exchange in 1986, when he built up a fortune estimated at $1 million, Ibrahim Eris has long been known as tight-fisted. And he really is. He is parsimonious with money, time, and even the telephone—he does not stop to exchange pleasantries with the person at the other end of the line, but goes directly to the subject at hand. When he first came to the Central Bank, he found out that the weekly meetings of the directors were lasting an eternity—eight hours straight, with a break for lunch. He cut the meetings down to two hours a week, abolished the directors' lunches, and eats sandwiches—generally a Big Mac, which he orders from a nearby fast food place. Although he commands the respect due someone who tries to lead his subordinates by example, Ibrahim Eris has already been surprised by an unpleasant development. His former chief of staff, Jose Roberto da Silva, a career official at the Central Bank whom he inherited from the Wadico Bucchi administration and retained in that position was the subject of a formal investigation five years ago. He had been accused of prevarication, fraud, and practicing administrative law—it is suspected that he took a $50,000 bribe in return for suspending the federal takeover of Jofran, a finance company in Curitiba. Last Friday, when the circumstances were reported by JORNAL DO BRASIL, da Silva drafted a letter of resignation. Eris accepted it and formed a committee of inquiry to investigate the case and submit its findings.

Energetic enough to prevent his reputation from being even somewhat tarnished by an episode of this sort, Eris is so busy that, on one occasion, he forgot to eat for 24 hours and only sat down to a meal after he started feeling dizzy. This is the kind of behavior that makes an impression on people used to the lackadaisical pace of the federal government—but even in Planalto Palace

there is a feeling that he sometimes carries diligence too far. Not long ago, President Fernando Collor expressed some concern about Eris' working hours. "The man is working like crazy," Collor said. "He never leaves the Central Bank building, lives on sandwiches, and looks worn out. I think he should take a little better care of himself," the president said. With his demanding routine, Eris finds it hard to relax. One of the occasions when he can relax is when he goes to the movies with his girlfriend, architect Marcia Palmer da Fonseca, daughter of former Minister of the Navy Maximiano da Fonseca, and formerly married to businessman Paulo Otavio de Oliveira, one of President Fernando Collor's best friends.

Celebrity

Another occasion when he gets some peace is during his telephone talks with Gil, his 13-year-old son from his marriage to economist Claudia Cunha Campos, whom he met when both were studying in the United States. Now living with his mother in Sao Paulo, Gil has developed the habit of telling anecdotes about his father. The latest is that his father is so miserly that he sleeps with his hand in his pajama pocket so that no one will take money from his wallet during the night. The boy has his reasons. His father gives him an allowance of only 1,000 cruzeiros a week—not enough for a boy to take a girl to the movies and be able to invite her for a hamburger and a milkshake afterwards.

Tense, capable of smoking two packs of cigarettes a day, and so shy that he usually says little on social occasions, few news items amuse Eris as much as the commotion which his rise to government has caused in his native land. He has become as popular there as a Brazilian economist would be who, 17 years after arriving in Turkey following a seven-year stay in the United States, ended up being appointed president of the local central bank. His swearing-in ceremony was reported in the country's major newspapers, and now he receives a lot of letters every month with all sorts of requests—everything from humble people asking for money, to single girls with marriage proposals. "Imagine this: a friend of mine took a taxi in Ankara, and when he told the driver that he knew me, he did not even have to pay for the ride," he reports.

Early in the year, when Minister Zelia Cardoso de Mello invited him to join the administration's economic team, Ibrahim Eris did not seem to be in any hurry to accept. He insisted on hearing the names of the occupants of the other positions in the area. He also quizzed the future minister regarding her program to privatize the state corporations. Once he had seen the list of his other government colleagues, and been convinced that the privatization proposal was to be taken seriously, he accepted the invitation. For Zelia, Eris' acceptance represented a major triumph. "With him on board, the entire Right decided to back the government's team," said one of the minister's advisers. For Ibrahim Eris himself, the "yes" was something new. On three different occasions, former President Jose Sarney had asked him to take important posts in the government—without success. Today it is easy to understand why Ibrahim Eris always turned down the offers.

[Box pp 58-59]

Remodeling the Currency

The Central Bank is gearing up for a new era in the Brazilian economy. Assigned to take care of the nation's financial health, the bank is not only a factory of resolutions, circulars, and rules used to regulate the money market. It is responsible for monitoring the physical quantity and quality of the approximately 2.8 billion pieces of paper currency in circulation. In order to improve its performance in this area, the bank is working on two projects that should change the face of Brazilian money. One of these is a program to automate the "cleaning of the currency," the process by which the bank replaces old bills, worn from use, with new notes. The other project is more far-reaching and involves the Casa da Moeda, where the cruzeiros are printed. Plans are being made to double production capacity there during the next four years, and to improve the quality of the bills themselves. Also under study is the development of a new family of cruzeiros, different in size and format from the present ones, as soon as the value of the cruzeiro stabilizes. "The idea is to replace the current mishmash of cruzados, cruzados novos, and overstamped bills with an improved, more respected, currency," says the director of the Division of the Currency, Carlos Eduardo Tavares de Andrade.

In order to streamline the work of cleaning the currency, the Central Bank is investing about $16 million in the purchase of 21 machines that count, cull, and destroy worn paper currency. Seven of those units, manufactured by the English firm of Thomas De La Rue, have already arrived. Last week they were put to work all over the country. For security reasons, maintenance of the equipment is being handled by a Brazilian company, Ensec, with which De La Rue has a technology transfer agreement. Automation will mean a savings of about $40 million a year for the bank. Of that total, $30 million represents the sum that the Central Bank will no longer have to pay to Bank of Brazil for sorting the used currency. The rest of the savings will come from being able to recover some of the 700,000 bills that would usually be incinerated in special Central Bank ovens in Rio de Janeiro.

Chile

Hostages Held in Iraq Arrive in Jordan

PY0310171690 Santiago Radio Chilena Network in Spanish 1600 GMT 3 Oct 90

[Text] Acting Foreign Minister Edmundo Vargas at noon today disclosed that the seven Chilean hostages who were being held in Iraq were released today.

Vargas said that the seven employees of the Cardoen enterprise are expected in Jordan this afternoon.

[Begin Vargas recording] The Iraqi Government this morning announced that it has granted exit visas to seven fellow countrymen who were in Baghdad. We hope they will arrive safe and sound in Amman soon.

Chilean ambassador to Jordan, Nelson Hadad, who has been active in obtaining these visas is now with them, and personnel of our embassy in Jordan are awaiting them at the airport. [end recording]

Edmundo Vargas voiced his satisfaction over the success of the Foreign Ministry negotiations with the Baghdad Government which first resulted in the release of 23 Chilean citizens. Vargas also publicly voiced his gratitude to the Chilean ambassador to Jordan who met with the Iraqi foreign minister to negotiate the exit of the hostages.

[Begin Vargas recording] We are very happy over the success of these efforts for which we used, as I have already stated, all the available means. We started with the negotiations of the UN and the OAS secretary generals, for which we are very grateful. We are also grateful for the efforts made by ambassadors of friendly countries and those of the Chilean ambassador to Jordan, Nelson Hadad, to whom I wish to voice my personal thanks. [end recording]

Yesterday afternoon businessman Carlos Cardoen met with Edmundo Vargas to inform him that seven employees were under a great psychological strain because they did not know when they would be able to leave.

The released Chilean citizens are: Carlos Schulman, Mauricio Romero, Jorge Vazquez, Carlos Gonzalez, Alfredo Gomez, Raul Garreros, and Emilio Maioqui.

Here is a last-minute report. The Foreign Ministry has just confirmed that the seven Chilean citizen who had left Iraq some hours ago have arrived safe and sound in Jordan. The group of Cardoen enterprise technicians and engineers obtained their exit visa from the Iraqi Government through the efforts of the Chilean ambassador to Jordan.

Hostages Linked to Bomb Project

PY0410010090 Buenos Aires DYN in Spanish 2212 GMT 3 Oct 90

[Text] Santiago, 3 Oct (REUTER)—Foreign Relations Under Secretary Edmundo Vargas has announced that the Iraqi Government today liberated seven Chilean engineers who had been working in a weapons factory and had been held in Iraq since the Iraqi invasion of Kuwait.

Vargas said the group would arrive in Jordan at noon to join another group of 24 employees from the Carlos Cardoen firm of Chile who left Iraq at the end of August.

Vargas also said the liberation of the hostages was made possible thanks to negotiations carried out in Baghdad by Chilean Ambassador to Jordan Nelson Hadad.

The engineers are employed by the Chilean weapons firm Carlos Cardoen, which sold cluster bombs to Iraq during its war with Iran. According to the firm, the deal yielded an annual income of $100 million. When launched from the air, the cluster bomb is capable of breaking up into 240 small bombs that will cover an area of 65,000 square meters.

Cardoen yesterday said that the firm stopped selling weapons to Iraq at the end of the Iran-Iraq war and that it was only fulfilling civilian contracts when Iraq invaded Kuwait. Cardoen added that the liberated engineers were working on those contracts.

Local press reports—which have been categorically denied by Cardoen—have said that in fact the businessman had an agreement with Baghdad to supply spare parts for bombs.

After the Iraqi invasion of Kuwait, the Chilean Government adhered to the economic blockade imposed by the UN Security Council and forbade the sale of weapons to Baghdad. The decision thwarted any attempt by Cardoen to revive the weapons business with Iraq.

Aylwin Congratulates Kohl on German Reunification

PY0410011590 Santiago Domestic Service in Spanish 2200 GMT 3 Oct 90

[Text] On behalf of the Chilean Government and people, President Patricio Aylwin has congratulated German Chancellor Helmut Kohl and expressed to him his wishes for success on the occasion of Germany's reunification.

In his message Aylwin said: This momentous historic event has made real the aspirations of the entire German people to live in a single fatherland, which now emerges as a symbol of the spirit of the freedom of mankind and which has been built upon the sound foundation of peace, democracy, human rights, and international cooperation.

I am sure, the note from President Aylwin added, that the new Germany will not only promote ties with Latin American governments but will also foster a real approach with our peoples, thus accomplishing the desired goal of friendship and cooperation.

The Chilean president concluded his message by saying: I would like to take advantage of this occasion to reiterate my highest regards to Your Excellency.

Aylwin To Attend Rio de Janeiro Group Meeting

PY0310115090 Madrid EFE in Spanish 0224 GMT 2 Oct 90

[Text] New York, 1 Oct (EFE)—It was reported today that Chilean President Patricio Aylwin has formally accepted an invitation by Carlos Andres Perez, his

Venezuelan counterpart, to attend a summit of the "Rio de Janeiro Group" this month in Caracas. Chile and Ecuador were admitted to this group just last week.

Perez's invitation and Aylwin's positive response were made through an exchange of letters in New York over the weekend during the World Summit for Children.

Officially announcing to his Chilean counterpart that Chile had been accepted in the "Rio de Janeiro Group," Perez said he was sure that the participation of Chile will represent "a valuable contribution" to the group.

Expressing thanks over the entry of Chile, which represents "full reinstatement of our democratic regime into the new political cooperation effort in our zone," Aylwin accepted the invitation to attend the summit in Caracas on 11 and 12 October.

Apart from newcomers Chile and Ecuador, the group comprises Argentina, Brazil, Colombia, Mexico, Uruguay, Peru, and Venezuela. Panama was excluded a couple of years ago. The group could soon have another member because Bolivia's entry petition is being favorably considered.

Consumer Price Index Highest Since Oct 1982

PY0310190890 Santiago Radio Chilena Network in Spanish 1600 GMT 3 Oct 90

[Excerpt] Undoubtedly, the most important news in the economic field is the consumer price index and the impact it will have on the inflation-adjusted unit of value [unidad de fomento].

According to the National Statistics Institute [INE], the consumer price index for September—the highest registered since October 1982—amounted to 4.9 percent, bringing this year's inflation rate to 20.9 percent. Inflation rate for the past 12 months amounts to 29.3 percent.

INE deputy director Thelma Galvez attributed this high monthly inflation rate to the great impact of the oil price increase. [passage omitted]

Cuban Official on Resumption of Relations

PY0410125690 Santiago EL MERCURIO in Spanish 25 Sep 90 p c 4

[Report by Carlos Herrera Astorga]

[Excerpts] Antofagasta—Juan Antonio Blanco Gil, member of the Cuban Communist Party Central Committee, has said that "the restoration of diplomatic relations between Cuba and Chile should be carried out without conditions." He said this upon his arrival here on 24 September on his way to other regions of the country where he will contact members of his party. [passage omitted]

Blanco left for Chuquicamata on 24 September. He will visit cities of the interior of the region before returning to Santiago, from where he will tour cities in the Chilean southern region.

Colombia

Gaviria Comments on Meeting With Bush

PA0310152990 Bogota Inravision Television Cadena 1 in Spanish 0100 GMT 30 Sep 90

[Text] President Cesar Gaviria made two announcements today in New York. After meeting U.S. President George Bush, he said that the United States will give Colombia preferential treatment for its fight against drugs. On a national level, Gaviria Trujillo said that he is not willing to negotiate the institutions.

By getting the United States to do away with many of the restrictions on the Colombian flower trade, President Cesar Gaviria was able to crack open the door—even though the chain has not yet been broken—to President Bush's Initiative for the Americas. That place, into which all the continent's presidents would like to step, means abundant help in dollars.

[Begin Gaviria recording] We have stressed Colombia's desire for receiving quick treatment regarding the Initiative for the Americas. Of course, we believe that, in principle, extending the Caribbean initiative to Colombia and Colombian products is an appropriate approach. We cannot say how satisfactory the formula is until we learn the initiative's complete content, which will be brought before Congress. [end recording]

Anyway, Bush accepted Colombia's right to request as much help as it needs—and deserves—because of the high costs that our country has paid in the fight against drug trafficking. Gaviria said in his press conference that the topic of extradition had not been discussed with President Bush. He also said that he had the support of the executive, legislative, and judicial branches regarding the measures recently taken in Colombia to fight the drug traffic.

[Begin Gaviria recording] We hope that the agreements will be complied with and that the offer that has been made is a serious offer. [end recording]

Although President Bush told our president that he could count on U.S. collaboration, there is nothing written down on paper yet; however, Cesar Gaviria trusts he can return to Colombia with a victory report.

Ecuador

Congress Dismisses Public Works Minister

PA0310180290 Quito Radio Quito in Spanish 2300 GMT 2 Oct 90

[Text] Public Works and Communications Minister Juan Neira was dismissed a few minutes ago by the

National Congress, with a 54-14 vote conducted among 68 deputies. The congress has just decreed a recess and will later analyze the request for an amnesty to lawyer Abdala Bucaram Ortiz. Congress President Averroes Bucaram said that, in his political opinion, the decision to dismiss Minister Neira for violating the Constitution was the result of a consultation.

Paraguay

Rodriguez on Attitude of Political Sectors

PY0310134490 Asuncion ULTIMA HORA in Spanish 2 Oct 90 p 12, 13

[Text] President Andres Rodriguez has harshly criticized the incoherent attitude of the political sectors over their demand to reduce the size of the administration on the one hand while opposing the privatization of the state-owned enterprises that are running deficits on the other.

Rodriguez said this in answer to a request by Encarnacion Bishop Jorge Livieres Banks and Itapua Government Delegate Marcelo J. Abente, who asked him to prevent the closure of the Military School No. 2 in Encarnacion. It is known that this institution will be closed as part of the cuts in the Armed Forces expenditures.

Rodriguez has told Livieres Bank and Abente that several sectors of society, especially the political and business sectors, have asked the government to reduce the size of the administration. "We are trying to comply with these requests, but on many occasions sectors oppose our projects. The government wants to privatize some organizations that are running deficits, but some sectors strongly oppose our decision because they believe that they own these enterprises and because they want to continue to appoint their own people in these institutions.

Rodriguez said that there is no coherence between what the political sectors propose and their attitude toward the announcement on the privatization of the state-owned enterprises. "They believe that privatization will cause unemployment. On the contrary, privatization will help to improve production, management, etc., in these enterprises. Workers will improve their skills and will thus render more valuable services," Rodriguez added.

Rodriguez also said that all state-owned enterprises are running deficits; therefore, the government has been forced to make contributions that are against its outlined programs. He said: "The country does not obtain any profit from the state-owned enterprises." He mentioned the case of the National Cement Industry whose debt doubles the real cost of running the cement plant.

Rodriguez also disagreed with the criticism leveled against the government decision to cancel the foreign debt with Brazil. "If we had not adopted this decision our country would have had to pay more than $1 billion over the next 28 years. This is unacceptable," Rodriguez added.

He told Livieres Banks and Abente that he had no problem contracting new debts on behalf of the country if that is what several sectors of the Paraguayan society wish. "I will hand over power to the candidate who wins the free and democratic elections in 1991, and the new president will have to deal with the problem. When I took power, I promised to work for the welfare of the Paraguayan people, and I am complying with my objective. Every measure adopted by the government is aimed at defending the people's interest," Rodriguez added.

Poll Shows Rodriguez Enjoying Strong Support

PY0410111090 Asuncion ULTIMA HORA in Spanish 27 Sep 90 p 8, 9

[Text] The Records and Studies Center (CDE) [Centro de Documentacion y Estudios] has conducted a survey on President Andres Rodriguez' popularity. Samples were taken throughout the Eastern Region between 8 and 15 August. In the interior of the country only the department's capitals were polled. The surveyors questioned 1,947 people.

The results show that 41.24 percent of those questioned believe President Rodriguez is doing well while 10.37 percent think he is doing very well; 39.38 percent think he is not doing so well and only 3.09 percent think he is doing a poor job. According to these numbers, President Rodriguez has an average of 3.58 on a scale of 1 to 5.

Asked about their preferences if a national election were held today, a total of 39.61 percent of those questioned said they would vote for Andres Rodriguez again. This represents 55 percent of the number that elected Rodriguez to the presidency in May 1989. A total of 65 percent of those questioned found positive aspects in the president, while only 42 percent found defects in him.

These percentages show that opinions are slightly more favorable toward Rodriguez in the cities than in the country.

Asked what they like the most about this government, 60.25 percent of those questioned said the recovery of freedom, and 44.58 percent said the improvement in the international image of the government. A total of 53 percent believes that human rights are being respected.

The survey also asked people if the country had improved or not since the overthrow of Stroessner. Some 37 percent of those questioned said the country has improved, 33.36 percent said we are just about in the same situation, while a quarter of all those questioned said conditions have deteriorated. Only 2.7 percent said that the situation has improved considerably.

The average opinion of the people questioned about government measures to solve socioeconomic problems was not favorable, except in the areas of health and

education. Regarding other issues such as salaries, housing, land reform, unemployment, law and order, and increasing cost of living, the people questioned believed the government did a rather poor job.

The survey shows that despite adverse situations in the socioeconomic front, people still believe in the process. President Rodriguez' popularity has not dropped sharply either, as frequently happens to presidents who have taken over after long periods of authoritarianism.

Foreign Minister Returns From United Nations

PY0410131890 Asuncion PATRIA in Spanish 4 Oct 90 p 6

[Excerpts] Foreign Minister Alexis Frutos Vaesken returned early yesterday afternoon from New York where he outlined Paraguay's position regarding important international and regional policies to the UN General Assembly.

During the course of his extensive address, Frutos left no doubt about the government's position on the delicate topic of foreign policy when he fully supported the Security Council's resolutions pertaining to the thorny and irritating Persian Gulf crisis. [passage omitted]

In addition to his address to the General Assembly, Frutos met with U.S. officials in Washington to discuss pending bilateral matters.

It is believed that the foreign minister will resume his official functions today at the Foreign Ministry. [passage omitted]

Military Sources Deny Arrest of Military Men

PY0310230090 Asuncion ABC COLOR in Spanish 3 Oct 90 p 11

[Text] Military sources contacted by this newspaper have denied rumors about the alleged arrest of a group of sergeants and officers from the Cavalry, Artillery, and Air Force "due to alleged dissatisfaction among the lower ranks of the Armed Forces over promotions and salaries."

Our efforts to clarify the situation through the Ministry of Defense and some military units failed because we could not get any comments to help us confirm or deny the incident. The answers we received doubted the veracity of the rumor on the disciplinary measure.

At Armed Forces General Staff headquarters, Colonel DEM [General Staff School] Julio Cesar Mezgolitz, chief of public relations, said the high command "was not aware of the arrest of any military personnel in the country, either for disciplinary reasons or any other reason," and therefore there was no comment to make on the matter.

Despite the denials, however, people on the street insist that an unspecified group of military men are under arrest in Cerrito, in the Chaco, for not clearly specified reasons that have to do with some kind of complaint.

Peru

Minister Says Guerrillas Will Not Lay Down Arms

PY0310183090 Madrid EFE in Spanish 0637 GMT 3 Oct 90

[Text] Lima, 2 Oct (EFE)—Interior Minister Adolfo Alvarado reported today that Peruvian President Alberto Fujimori has received a document from the Communist guerrilla Tupac Amaru Revolutionary Movement (MRTA) in which MRTA denies it has decided to lay down its arms. Thus, General Alvarado denied a report published on 1 October by the newspaper EXPRESO. This report is based on statements EXPRESO is said to have obtained through a telephone conversation with MRTA leader Victor Polay Campos.

According to EXPRESO, Polay said that the MRTA is willing to negotiate the surrender of arms with the government headed by President Alberto Fujimori and that he secretly met with Gen. Alvarado with this purpose.

Alvarado informed the press that the meeting with the guerrilla leader never took place; however, Alvarado did say that Polay had phoned him to state that the MRTA had abducted Deputy Gerardo Lopez Quiroz, a member of the ruling "Change 90" party.

Regarding the EXPRESO report, Alvarado said: "There was no meeting. This is like a novel." The EXPRESO report states that Alvarado met Polay in the first row of a Lima movie theater.

Alvarado added that he had told Polay to appoint "a mediator so that his statement may have more credibility."

Nevertheless, Gen. Alvarado did not say whether a peace proposal was made during the telephone conversation.

He said that President Fujimori has indeed received an MRTA document but that "the conditions for holding a dialogue or for laying down the arms" do not seem to be given in this document.

The interior minister did not identify the mediator who delivered the document, nor did he say when it was delivered. Political circles speculate that the document was probably delivered by Gerardo Lopez, who was abducted and held for seven days by the MRTA and who was released September 30.

Peruvian Government security sources have played down Lopez' credibility because of his old ties with Peruvian radical leftist sectors connected with the MRTA.

In his first statement after his release, Lopez said that the MRTA is not willing to negotiate with the Fujimori

administration, as it had originally intended to do after Fujimori took office on 28 July.

However, on 1 October, Lopez said that he had handed a document containing an MRTA peace proposal to Fujimori.

The MRTA was established in 1982 after a schism of several radical leftist groups. Its first activities consisted of carrying out a propaganda effort and of distributing food in Lima shanty towns.

Among the most spectacular MRTA actions is the escape of Polay (Comrade Rolando) and 47 other MRTA members from the "Canto Grande" prison. Polay was arrested in 1989 in the Andean province of Huancayo, 315 km east of Lima. He and his followers dug a tunnel to escape from prison.

Church Willing to Sponsor Dialogue

PY0310185590 Lima Television Peruana in Spanish 1100 GMT 3 Oct 90

[Text] Monsignor Ricardo Duran Flores has stated that the Catholic Church is willing to serve as interlocutor in possible talks between the government and the Tupac Amaru Revolutionary Movement [MRTA]. He also condemned the attack on the house of Monsignor (Juan Baren) in Chimbote.

[Begin recording] [Duran] Under the current circumstances, I think it is very important for MRTA members to show that they are truly willing to hold talks, and the government must study the situation.

[Unidentified reporter] Is the church really willing to hold talks...?

[Duran, interrupting] Should the possibility arise, the church is not willing to hold talks, but to promote dialogue and sponsor dialogue, because talks must obviously be held either between the government and the Shining Path, or between the government and the MRTA. We hope that talks will also be held with the Shining Path in the future.

This means that we are willing to act not as an arbiter, but as a sponsor of dialogue.

[Reporter] But arms must be laid down first of all.

[Duran] Obviously. One of the most important points is that talks be held without weapons. This will be a rather slow process, but with some goodwill and effective action, I think it will be beneficial, especially to have a little more peace in the country.

[Reporter] When would you be willing to hold talks? Or when can Channel Seven be of help to reach the intellects of MRTA members to begin talks and thus reach the peace so much desired by all Peruvians, with the church acting as interlocutor?

[Duran] The most important thing is to begin a dialogue. I would like to see all those young people who want to return to a social coexistence make a firm commitment that they will use their talents for the good of Peru. The first point to exploit here is honesty. I think the lack of honesty has led most people to use politics as a means of enrichment and to seek better positions in most Latin American countries and elsewhere in the world. This has caused tremendous harm to democracy and to freedom. Many are taking this freedom to seek this objective and thus remain unpunished everywhere in the world, including Peru. [sentence as heard] They remain unpunished after having caused so much harm to society, although there is no reason to justify their action. But this again is not the main point. I think the main point is changing their ideologies. This is the most important point, and I would like them to meditate on it. [end recording]

Minister Denies Possible Fuel Price Increase

PY0310203090 Lima Television Peruana in Spanish 1100 GMT 3 Oct 90

[Excerpts] Energy and Mines Minister Fernando Sanchez Albavera has announced the beginning of an aggressive campaign to attract investments so that the coming year can be the year of investment in the country's energy sector. [passage omitted]

In a news conference after the weekly meeting with President Alberto Fujimori, Sanchez Albavera said fuel prices will not be changed.

[Begin recording] [Sanchez] There is currently a slight surplus in the petroleum supply. We are consuming approximately 85,000 barrels per day. We import and export petroleum, but we need to increase our production to approximately 400,000 barrels per day. Our intention is to increase our petroleum production in a short period of time. We need to increase our production because it has dropped significantly over the past few years. We must increase production of Lot 1-AB with Occidental Petroleum, and we are holding talks with Occidental Petroleum toward this goal.

But the most important thing is our ability to attract new investments. We need new investments to exploit this very interesting international situation. Countries dependent on the Middle East for oil are looking for new energy sources. A second reorganization of investments in the energy sector is taking place throughout the world. The first took place after the crisis of the 1970's, when OPEC increased prices. This is the second great international petroleum crisis, and we obviously have to look with concern at its effects on the international economy. It will not only affect petroleum prices, of course; it will also have several other international effects.

As a country with great petroleum potential, we must obviously increase our efforts to attract investment because of the currently favorable international situation.

[Reporter] Does this mean that fuel prices will be increased?

[Sanchez] No, we are not going to modify fuel prices. There is no need to do so at this moment. [passage omitted] [end recording]

Soldier, Terrorist Die in Clash in Huancayo

PY0410115690 Madrid EFE in Spanish 1803 GMT 3 Oct 90

[Text] Lima, 3 Oct (EFE)—A soldier and a terrorist died in an armed clash on 2 October, thus increasing the number of casualties in the Peruvian central mountain range where 15 people have died in the past three days as a result of the political violence.

These latest casualties died in a shoot-out near a military garrison on the outskirts of Huancayo, the capital of the Junin Department, 315 km east of Lima.

Police sources have reported that a column of approximately 30 Shining Path terrorists were repelled when they attacked the garrison. The soldier and the terrorist died during the attack.

The sources also reported that terrorists hurled a bomb at the house of Monsignor Luis Bambaren, the bishop of Chimbote. The city of Chimbote is 440 km from Lima. The explosion caused considerable damage but no casualties.

The bishop has recently returned from Rome where he met John Paul II. He was not at his house at the time of the attack.

More than 20,000 people have died in Peru as a result of the political violence carried out between 1980 and 1990 in the struggle by the Shining Path terrorist organization.

* Judicial Branch Corruption, Reform Discussed

90SM0251A Lima EXPRESO in Spanish 20, 21 Aug 90

[Report by Jaime de Althaus and Pedro Salinas on roundtable discussion among Enrique Normand, Diego Garcia Sayan, and Javier de Belaunde; place and date not given]

[20 Aug pp 12-13]

[Text] In his message to the nation on 28 July President Alberto Fujimori promised to banish corruption and to take action so that justice is dispensed impartially in Peru. Attorneys Enrique Normand, who chaired the Fredemo [Democratic Front] Justice Commission; Diego Garcia Sayan, the executive director of the Andean Jurists Commission; and Javier Belaunde, a university professor who was involved in writing the first draft of the organic law of the Judiciary, met for more than two hours at EXPRESO to discuss the issue of reforming the Judiciary.

Below we offer readers the first part of excerpts from this long and interesting roundtable moderated by Jaime de Althaus, EXPRESO's editorial chief, and Pedro Salinas.

[EXPRESO] There is a consensus about the current situation in the Judiciary. It is slow, inefficient, and corrupt at all levels. We first have to discuss the system of judicial appointments. Why doesn't the Judiciary appoint magistrates independently?

[Normand] The basic reason lies with the constitution and the law. The appointment procedure is faulty. And it has been made worse by the way that these procedures are being conducted. The system of a three-candidate list is terrible. There could be three highly qualified candidates, but two of them are automatically disqualified. The system of three-candidate lists must be abolished permanently.

[De Belaunde] The constitution is based on the view that since the Legislative and Executive branches arise from the people, these popularly elected officials ought to appoint judges. The method of appointments by the Judiciary itself has always been rejected because a sort of "judicial caste" could develop. Now then, the problem with the appointments is that throughout the system people are unquestionably hand-picked for political reasons. One possible option is the popular election of judges. In some states of the United States, for example, judges are chosen directly by the people. We would have to revise the system in Peru to apply it to the appointment of justices of the peace who are not members of the bar. I am a strong supporter of popular election. I think that such an arrangement would be very significant, because of the sort of justice that these judges dispense and their first-hand knowledge of the people.

[EXPRESO] The Judiciary has not had full autonomy. Why not?

[De Belaunde] The appointments have always been made by some outside body. Different arrangements have at times been tried out, such as the National Council of Justice, which was strongly criticized. I think that as a blueprint it is very interesting, but we would have to revise it because it made too many slip-ups in its function of monitoring the Judiciary. It makes sense to think about a technical body for appointing judges on which community groups are represented. That is the way to go. Politicians definitely have to be removed from the appointment of judges.

[EXPRESO] Do you think that this can be achieved?

[Garcia Sayan] Yes. Along these lines I would like to retain the idea set forth in Article 232 of the constitution: the power to administer justice arises from the people. This is an essential principle that nonetheless finds no complement either in other articles of the constitution or in legislation or in practice. No institution is more divorced from the people than the Judiciary. A recently published poll found that 89 percent of the population is mistrustful of the Judiciary. People do not think that

answers can be found to their problems. Thought should be given to proposals that go beyond just switching people. Thus, democratizing decision-making bodies by eliminating the direct political factor is fundamental. And unfortunately, to do this the constitution has to be amended. The popular election of justices of the peace who are not members of the bar is not only fundamental but perfectly possible as well. It is regrettable that although this idea was to be found in many of the preparatory studies of the new Organic Law of the Judiciary, it was not included.

Popular Election

[EXPRESO] Doesn't the Organic Law of the Judiciary include the first draft's proposal for the direct election of justices of the peace who do not belong to the bar?

[Normand] The new law distinguishes them.

[Garcia Sayan] But it does not provide the mechanism for popular elections.

[Normand] The mechanism has to be depoliticized, taking a very technical approach. What my colleagues have suggested is absolutely true in the case of justices of the peace who are not members of the bar. Those people ought to be voted in directly by the people themselves. In the case of lower-court, appeals-court and Supreme Court judges, a very tough technical exam should be administered, with permanent electors and public hearings. This would ensure that the exam is a true assessment of the candidates' competence....

[Garcia Sayan] ...and that appointments would be based on the results of the exam. Without going through the political sieve. Because right now there are two political sieves. The Executive Branch is represented on the Council of the Magistracy. Its representatives can express their views there. And then the Executive Branch has yet another chance to do screening that it does not have to justify to anyone....

[Normand] And the president of the republic can keep on making the appointments. But not by doing the choosing. He appoints on behalf of the nation, period.

[De Belaunde] I think that becoming a judge is one issue, and it is subject to this appointment system that is so irksome to candidates. But there is another facet of the matter that I think is even worse.

[EXPRESO] What is that?

[De Belaunde] Let's assume that someone has entered the judicial career and is a judge in Moquegua, and a vacancy opens up in Lima. In order to be appointed a judge in Lima, this fellow has to compete for the post. There really isn't any structure to the judicial career. Promotions of judges have absolutely nothing to do with their merits. This is a major reason for paralysis and even corruption in the courts. Disillusionment is a breeding ground for all sorts of things in the case of a judge like this. I have met highly qualified judges in the provinces who are completely "blocked" and have no chance to make it to more important places because they have no political contacts. There ought to be a system of entry-level courts for a judicial career. I see no reason why a judge in Lima has to begin by being a judge in Lima. There could be entry-level courts in the provinces and a system of promotion. So wherever there are more complex matters we can get magistrates from other courts. We proposed a system like this in the first draft of the bill. For example, a vacancy is created in Lima, and the competition is opened up among all magistrates in the republic. There would thus be the sense of a judicial career. This is one of the most serious problems today in connection with these appointments, this "incentive," if this is the proper term, for magistrates. Their appointment and promotion do not depend on either their competence or their honesty; they depend solely on political favor.

[Normand] Yes. I also think that right now this is the most urgent problem. And we have seen it time and again. The political party that happens to hold the Executive Branch and Congress packs the courts.

[EXPRESO] And doesn't the new Organic Law solve this problem?

[Normand] The new Organic Law does not solve it.

[EXPRESO] And why do you think that this was not included in the first draft of the Organic Law of the Judiciary?

[De Belaunde] It would mean a huge surrender by politicians. If politicians want to address this problem, they have to prioritize the Judiciary. And one of the aspects of prioritizing it is for politicians to get their hands off this branch.

[Normand] I think that Javier de Belaunde has touched on a fundamental point. The premise on which any approach to the problem of the Judiciary must rest is the recognition of its autonomy and independence.

[Garcia Sayan] Until now, unfortunately, this has been merely symbolic. For decades the Judiciary has been subordinate to politics. Whether owing to the arbitrary actions of a ruinous regime or to constitutional mechanisms like the ones that have existed in Peru since 1980. In both cases there have been purges that although they may have had some justification, as in 1980 and 1982, they clearly had a political side too. Now then, I do not see the Executive and Congress engaging in self-criticism. True, there is a new group in government now, but this ingredient was lacking in the harsh criticism that was voiced of the judicial system and the Judiciary on 28 July. There is also the problem of confirmations.

Confirmations

[EXPRESO] Of magistrates?

[Garcia Sayan] Yes. We have to reconsider the issue of a confirmation system that can provide appropriate guarantees, so that the body that does the confirming is a private one with strictly technical criteria. This would, of course, entail amending the constitution. Every time that the confirmation system has been used, it has lent itself to control by the government of the moment, rather than to an improvement of the judicial system. This is a controversial issue, but one that must be addressed.

[De Belaunde] I have one worry. I think that we agree in our criticism of the Judiciary. The magistrates are to blame to a very high degree, and what the President did on 28 July was to express the feelings of the people about the Judiciary. But I fear that all of this talking and what comes after it is creating a permanent cause-and-effect relationship. A movement to "broadside" the Judiciary is forming and it seems to be blaming only the judges. So, "if the judges are to blame, then the judges have to be replaced." I personally disagree with this view. Velasco replaced judges in 1969. Morales Bermudez replaced judges, and judges were replaced under Belaunde. And the confirmation of 1981 and 1982, which was a "constitutional" confirmation, was a truly outrageous one. The case of Jose Hurtado Pozo is the most illustrative one. Jose Hurtado Pozo was a professor who did honor to San Marcos and Catholic universities. And he decided to be a judge. It was a real luxury for Peru to have him as a judge, given his honesty and competence. Well, this gentleman was removed from the Judiciary during these confirmations. And today not only is he a professor at the University of Freiburg, Switzerland, but he has also been commissioned by the Swiss Government to reform the Swiss Penal Code. The same Peruvian who was deported because of the confirmation system.

[Normand] What you have to do in this country to be successful somewhere else is get yourself blackballed (laughter).

[De Belaunde] The tragicomic thing is that the Swiss Penal Code that Hurtado Pozo is reforming is the one that inspired the existing Peruvian code. The confirmation system was also in effect during the previous constitutional term. And as far as I know, it always lent itself to arbitrary actions. The Supreme Court confirmed judges every five years. People got even for enmities and all sorts of rivalries at times during these confirmations. This is a very touchy issue, and I think that we have to begin with the problem of officials. The point, then, is not to replace judges who are accused of being corrupt and incompetent with others who are corrupt and incompetent. We have to create the structural conditions for a different sort of Judiciary.

The Budget

[EXPRESO] There is another problem: the budget. The famous two percent that is theoretically supposed to be earmarked for the Judiciary.

[De Belaunde] Two percent of current spending.

[Normand] Two percent of the budget, which never comes through.

[EXPRESO] It's never gotten to two percent?

[Garcia Sayan] No. It's never gotten to even 1.5 percent.

[EXPRESO] How high exactly has it gone?

[Normand] It's never gone anywhere. Right now it's around 0.6 percent.

[EXPRESO] Didn't it once exceed one percent?

[Normand] It hit 1.3 percent during the Belaunde era.

[De Belaunde] But even under the Belaunde administration the provision of the constitution calling for "progressivity" was violated. There were actually two violations of the constitution because "progressivity" has turned out to be a joke, and the percentage assigned to the Judiciary declined instead of increasing.

[Normand] I have an objection. The provision of the constitution exists. The gradual approach was "a" reason, not "the" reason. The two percent level was not reached because of the gradual approach. The intention of the law was to have a gradual upward progression. Until two percent was reached. If we look at the statistics, we see that it has risen and fallen. But to give two percent today to a Judiciary that has all of the shortcomings that ours does and to think that this will be a panacea...is naive.

[Garcia Sayan] It is absurd to say that "when we reach two percent, all of the problems that corruption causes will be resolved."

[De Belaunde] I agree.

[Garcia Sayan] There are problems involving minimum pay levels and infrastructure issues that unquestionably have to do with budgetary funding. The problem of court clerks and their incorporation into the Judiciary's budget has not been successfully resolved owing to budgetary limitations, among other things.

Court Costs

[EXPRESO] What is the problem with the court clerks?

[Normand] The court clerks used to charge litigants by the proceeding...

[De Belaunde] The court clerk ran a sort of small-scale business.

[EXPRESO] But they were later brought into the structure of the Judiciary.

[De Belaunde] Right.

[Normand] And they were not supposed to charge a fee; they were supposed to receive a wage as employees of the justice system. What has happened is that the wage is insufficient, and they keep charging by the proceeding.

[EXPRESO] We're talking about court costs...

[De Belaunde] There have always been court costs. These costs meant paying for certain proceedings. Besides that, the court clerk was in civil justice. The court clerk was not paid by the State; he was just appointed and thus, "theoretically," collected a fee from the parties. So, under the pretext that the fee was always too low, which was true, exorbitant amounts were often charged, placing limitations on access to the justice system. To stop this the court clerks were brought under the budget.

[EXPRESO] So they were made employees who are part of the administrative machinery.

[De Belaunde] Right. But like everything that has been done in this area in recent years, no one realized that the clerk was the head of a small company. First of all, the clerk paid for his office. The State does not pay for him. Second, the court clerk has about 10 or 15 people working with him (from process servers to transcribers, typists, etc). And these 10 or 15 people have not been incorporated into the budget. The clerk's salary is inadequate, and nothing is being done about it. Today a litigant has to pay one fee to the State and another to the clerk. This is the only way that the courts work. Is this abnormal? Yes. But what actually happened was that a hasty, poorly done measure was taken.

[EXPRESO] So economics remains a fundamental problem for the Judiciary...

[Normand] An efficient, honest, and competent Judiciary cannot exist unless it has the necessary revenues. And its revenues are insufficient to achieve these objectives.

[Garcia Sayan] This is very important. If two percent were the touchstone for the judicial system, the Supreme Court would have behaved differently all these years, inasmuch as it is empowered, under the constitution, to declare unconstitutional a visibly regressive budget law. It did not do so, probably because the justices themselves realized that it was not that significant in resolving all the problems. Or perhaps what we all agree on was the case: subordination to the administration and Congress.

[EXPRESO] Regarding this same problem of revenues, Dr. Belaunde advocates a justice system that is free of charge.

[De Belaunde] Yes. Look, I think that as far as revenues are concerned, every government-spending priority is expressed in budgetary terms. The Judiciary's shortage of budgetary funding is, in my view, the clearest historical illustration of the low priority that politicians have assigned to it. Moreover, I maintain that this is deliberate, because this is the way to subordinate it. A Judiciary that is economically dependent on the other branches is going to be a beggar Judiciary. The chief justice of the Supreme Court has to go and talk with the minister of economy and beg him not to cut the budget proposal.

[Normand] Article 278 of the constitution gives the Supreme Court the power to argue for its budgetary request during all stages. In other words, there ought to be a member of the Supreme Court who draws up a budget, puts it before the Executive Branch for inclusion in the Annual Budget Bill, and argues for it in Congress. If the Judiciary does not have the revenue, it has not demanded it either. It has merely complained that it is not being given enough. It has not even exercised this constitutional power to file a writ of exemption under that provision of the constitution.

[De Belaunde] For example, for years the Supreme Court did not ascertain whether the revenues it was receiving were sufficient or not. The Supreme Court operates on the basis of individual members, who are deciding thousands of cases all the time. There are 4,000 to 5,000 cases pending in each division. Each member has to examine at least 10 cases a day and to decide an average of 40, and a division about 30 or 40 cases a day. These people cannot reasonably be asked to think about the Judiciary, to plan, to argue for something, etc. Once again there is a problem of structure, a problem of legal design. An altogether obsolete legislative design prevents the Judiciary from being completely autonomous. In order for it to be autonomous it has to have the minimum conditions to plan, to offer proposals.

[EXPRESO] We have a Supreme Court that is without guidelines...

[Normand] The Judiciary has one function: to administer justice. But the administration of justice must take place within an independent, autonomous branch. In order for this branch to be truly independent and autonomous, it has to have a governing structure, an administrative structure, a permanence, which it does not. What do we have? The chief justices of the Supreme Court alternate every year. They are elected to one year terms...

[De Belaunde] And this outrageous situation has been confirmed once again...

[Normand] This outrage of a one year term has been confirmed once again....There are 23 members, 20 who sit in the judicial divisions, a presiding member who does not belong to a division, a member in the Internal Oversight Body, and an administrative member. These people shift around year after year. There can't be any continuity. There can't be any long-range projects. It does nothing for 12 months. All of the chief justices' inaugural speeches have been fanciful statements of good intentions. And their end-of-year reports are a blank. In the end they do nothing. There is no technical criterion for drafting the budget. There is no technical criterion for designing training institutes. The Magistracy Academy has just now begun operating. The Judiciary cannot be assigned the function of administering justice

unless it is given the entire apparatus it needs to administer justice. And this apparatus starts with manpower and materials: offices, computers, people to manage the budget, people to write the checks, to monitor spending. This is not being done. There is no one to do it.

[Garcia Sayan] The new Organic Law does not embody the idea of a Government Council. The name has been used, but certainly not the concept.

[EXPRESO] What is the concept in the first draft of the bill?

[Garcia Sayan] A body whose justices are dedicated to managing the Judiciary.

[De Belaunde] To managing the Judiciary for three years.

[Normand] Listen to this. It says, and I quote, "the chief justices shall discharge their function as members of the Council outside office hours...." In other words, aside from doing everything that Javier de Belaunde has described, the justices have to devote the rest of their time to designing the structure, putting together the budget, monitoring whether the two percent is coming through, etc.

[De Belaunde] This is very disappointing. And it is typical of Peru. The Governing Council was one of the main proposals in the first bill (the so-called Alzamora bill). It is not a fabrication. It is a reworking inspired by current Spanish legislation. The idea was to create a Governing Council at the national level. And District Governing Councils at the level of judicial districts. These councils would be made up of members who for reasonable terms, two or three years, would run the Judiciary under extremely broad powers. From deciding where an Agrarian Division was needed to setting up a Labor Division somewhere. In short, people who would be in permanent contact with judicial realities. This idea has been embodied in a completely distorted way, as Diego Garcia Sayan correctly says, because the Council is made up of the chief justice of the court (which is fine), the head of the Interior Oversight Body (I don't know what he is doing there, but anyway), and the chief justice of each division. The chief justice of each division, besides having to decide 40 cases a day and organize his division, now has to sit on the Governing Council...

[Normand] ...approve general justice, etc.

[De Belaunde] That's right. It was distorted. This is a mortal sin of the Organic Law.

[21 Aug pp 10-11]

[Text] Discussing the issue of corruption inside the Judiciary, Javier de Belaunde indicated that the judicial oversight body is not working, owing to solidarity among judges and because there are too many Supreme Court justices engaged in judicial matters and very few discharging the functions entailed in reorganizing and overseeing the Judiciary. The fact is that members or judges who make notorious profits from the justice system are not being punished. Enrique Normand indicated that much of the blame lies with the profession. "There are attorneys whose success is based on corrupting magistrates," he remarked, and the Bar has done very little in this regard. Its Tribunal of Honor does not work, in contrast to the Engineers Association, for example.

Regrettably, the new Organic Law of the Judiciary has already been promulgated, on 26 July. An opportunity was thus wasted to pass an innovative organic law and, as Diego Garcia Sayan said, to resolve the Judiciary's main structural problem: the fact that judges cannot devote themselves to administrative, planning, and oversight tasks because they are absorbed in the administration of justice. "The post of chief justice of the Supreme Court ought to be perceived as a job, not as an honor, and to this end should last three years," said De Belaunde. Enrique Normand contended that the law ought to be repealed and replaced temporarily by a stopgap law while a high-level commission works on and proposes not only a new Organic Law but also a comprehensive reform of the justice system.

Internal Oversight Body

[EXPRESO] As for the issue of corruption, we are talking about two kinds of corruption. One is economic corruption, the bribing of judges, and the other is political. Are they both causes and effects of the shortcomings in the administration of justice?

[De Belaunde] There is undeniably much unethical conduct in the administration of justice. The Judiciary is not an institution from another planet. It is an institution of this country. And regrettably, corruption is a characteristic of this country. Corruption of the justice system is more serious because of the nature of its function. This problem must be tackled from within and from without. From without by creating conditions so that corruption does not prosper. In other words, by employing complicated, obsolete procedures and an altogether absurd judicial organization, we are creating a breeding ground for corruption. There is a serious internal problem: the Internal Judicial Oversight Body does not work.

[EXPRESO] What role does the Internal Oversight Body play?

[De Belaunde] It oversees the judges. But it does not work. It is overly benevolent. We are faced with a serious problem. The question that we have to ask ourselves about the internal oversight mechanism provided for by the constitution is the following: Is this the one that we ought to have? Or should we consider mechanisms involving outside bodies? Here we run into the problem of the Judiciary's autonomy. As it stands now, the constitution empowers the Council of the Magistracy to oversee the Supreme Court justices. And the problem is a really serious one because the approach is one of "professional solidarity" with the judges. There is excessive tolerance.

[EXPRESO] This is why some think that the best thing is to get rid of corrupt judges...

[Normand] Two things are involved there.

[De Belaunde] One is "professional-association solidarity." It is the Judiciary itself that does the overseeing. Bringing in an outside body would impair the principle of autonomy. And I lean towards not impairing this principle. What ought to be done is to reinforce the Internal Oversight Bodies. Last year there was not a single inspection visit. This means that no judge traveled to the provinces to see how the judicial districts were operating. So, the structure of the Judiciary is poor. It is fossilized and obsolete. There are too many Supreme Court members sitting in their divisions engaged in judicial matters and very few discharging the functions entailed in reorganizing and overseeing the Judiciary. The approach to the problem of the Judiciary must be a very clever, very new, very iconoclastic one. We have to forget about rigid plans. The sanctions that have been applied in recent years have been applied to minor officials. Members or judges who make notorious profits from the justice system have not been punished.

[EXPRESO] Who would have to do the work in penalizing the judges?

[Normand] The Internal Oversight Body...

[EXPRESO] Is the Internal Oversight Body a sort of tribunal?

[Normand] At the moment dismissal depends on the Full Session. The plenary session of the Supreme Court has to decide.

[Garcia Sayan] The Internal Oversight Body is an unworkable mechanism with which judges and magistrates protect themselves. The Oversight Body's record could be summed up as follows with regard to penalties. First, they are not exemplary. Second, middle- and high-level magistrates are not being touched. Third, there is a huge number of unresolved charges and complaints.

[De Belaunde] The figure of the judge is important here. From the time that he is chosen and during his entire career, a judge is a forgotten man. Now the Supreme Court has created the Academy of the Magistracy to train judges. This is indeed a major accomplishment of the past one and a half years. The idea is not just to train judges professionally but also to revise the role that they are playing in society. This is new and important.

[Normand] Whenever there is talk of corruption in the Judiciary, only judges are mentioned. But regardless of how harsh it may sound, we have to say that much of the blame in the Judiciary lies with the legal profession. And we attorneys have to be courageous enough to say this....

Tribunals of Honor

[EXPRESO] What have the Bar associations done about this problem?

[Normand] There is a Tribunal of Honor, which has not worked. There are some very prosperous attorneys practicing today, and their success is based mainly on corrupting magistrates. This is unfortunately a fact.

[EXPRESO] And how can this be controlled?

[Normand] The Bar associations ought to see to it that these Tribunals of Honor work.

[De Belaunde] I had an experience. You tend to think that your colleagues are not watching you. For two years I was an attorney for the Engineers Association. To my surprise, the Engineers Association is a vigorously functioning institution. And one of the things that I had to do was process a ton of complaints against engineers. I have seen many engineers sanctioned every month for malpractice.

[EXPRESO] But the facts are objective in those cases. Mistakes in a building project are easier to detect...

[De Belaunde] But there are attorneys here too who win and lose cases in a corrupt manner. They are known as corruption middlemen. The fact is that there is enormous tolerance in the Bar associations. I have one bigger worry here. I do not have the figures right now, but the number of law students in Peru is truly enormous. What this reckless establishment of law departments is doing is creating an underworld of professionals who have no real job opportunities and whose only chance is to create more intermediateness between the client and the justice system (whether it is called the judicial or the administrative apparatus). This bad popular image that we attorneys have as "troublemakers" has its counterpart in very poorly run law departments. An impressive number of attorneys are engaged in creating this intermediateness. I think that a judicial reform can begin by closing down three or four law departments in Lima...

[Garcia Sayan] But there is a problem there with university autonomy...

[De Belaunde] Unquestionably.

[EXPRESO] How many attorneys are registered with the Lima Bar Association?

[Garcia Sayan] More or less 14,000 must be practicing right now.

[De Belaunde] This is a closely related matter. The problem is that the best attorneys, with few exceptions, do not go into the Judiciary. Because the working conditions are impossible. Being a civil-court judge in Lima is a heroic act.

[Normand] You cannot ask a successful student, unless he has a very strong calling to be a judge, to choose a judicial career. The financial conditions are not there.

[De Belaunde] There is no career, for now.

[Normand] The financial conditions are not there. In other societies being a judge is prestigious. Here in Peru these poor people are harassed and physically mistreated. You have to visit the building where the lower courts are. It smells. The drainage pipes are broken.

[Garcia Sayan] And things are pathetic in the provinces. The working facilities are minimal there.

[De Belaunde] Many years ago I met a judge from a highland province of Piura. And one of the things that disturbed me was the way that he found out about new laws. He told me that EL PERUANO did not, of course, arrive. So this gentleman would hear about certain laws over the radio and have a friend from Trujillo send him the laws by telegram. This is how the judge learned of our laws. In Cusco I met a judge who was severely punished for enforcing a law that had been repealed. These are the actual conditions under which justice is being dispensed. At this point in the conversation I think that we have covered the three factors that are to blame for the problem. The area of political blame is very clear. Politics is very much to blame for this. Second, I think that the Judiciary is unquestionably to blame. The insensitivity of which we have spoken, the paralysis, the lack of reasonable criteria for administering justice, the common tendency to prefer formalities to the truth. The third area of blame lies with attorneys. This is an issue that we attorneys have discussed little, but there is a very high degree of blame here. The Bar associations are a permanent disappointment throughout the country.

[EXPRESO] What can we do about the insensitivity of the Judiciary in the case of defendants who spend months in jail?

[Garcia Sayan] I do not think that the delays in criminal trials and overcrowded jails are the exclusive responsibility of judges. They are somewhat to blame. But there are other problems, such as the Penal Procedure Code and the administrative authorities. Many magistrates have pointed this out in recent weeks. The difficulties transferring people, the INPE [National Institute of Prisons] strikes. Our justice system is extraordinarily fond of red tape, which conspires against the aspiration of justice.

[EXPRESO] What has happened to the proposal to create Special Divisions to try individuals accused of terrorism? Is it in place?

[Garcia Sayan] Yes, it is in place. What is not being complied with is the additional bonus that is supposed to be paid to the members of the Special Courts. And the judicial apparatus is also to blame here.

[De Belaunde] It worries me a great deal right now that the press is very interested in uncovering the most graphic cases of judicial prostration. The media are engaged in a sort of contest to show the worst side of the Judiciary. You have to show other things too.

The Organic Law

[EXPRESO] Let's get into the Organic Law of the Judiciary. The new law was promulgated on 26 July. Theoretically, it is supposed to be an instrument of judicial reform and to build a more efficient judicial organization that will serve the citizenry. The law takes effect on 1 January 1991. The question is: Is this Organic Law really going to reform the Judiciary?

[Garcia Sayan] I think that regrettably we have missed our chance to put together a truly innovative Organic Law that embodies the major gains of the first drafts that Javier de Belaunde and others have worked on. There will always be the argument that if the new law is not a good one, Congress can change it. Now then, there are factors in national politics that make it hard for Congress to legislate on anything, especially something as technical as the Organic Law of the Judiciary.

[EXPRESO] Has the Judiciary's Governing Council already been established?

[De Belaunde] It was established on 5 August.

[EXPRESO] Now then, as of the fifth this Governing Council has the following specific functions: improve the operations of this branch of government; write the first draft of the Judiciary's budget; make sure that EL PERUANO is distributed to all magistrates; appoint the employees of the Internal Oversight Body, etc. If the Governing Council was established on the fifth, this means that modifications of the Organic Law can be submitted until 5 September. What sort of modifications ought to be submitted?

[De Belaunde] What has happened is as follows. There has been a coherent bill around since 1986. The Garcia administration decides that this coherent bill should be put on ice and in its last two months in office it passes the law. The law contains a series of positive aspects, but also has completely negative things and some distorted things. What things are positive? In the first place, the new law provides a definition of the Supreme Court's role. The Supreme Court has become an appeals court. It will no longer be a court of second appeal.

[EXPRESO] The Supreme Court is going to be a review body, isn't it?

[De Belaunde] That's right.

[Normand] Don't you think that this is more of a procedural law than an Organic Law of the Judiciary?

[De Belaunde] I think that defining the role of the Supreme Court is part of an Organic Law. To define what a court of appeals is. This is part of an Organic Law. What has happened is that an appeals law has been incorporated into the Organic Law.

[Normand] This is definitely unconstitutional.

[De Belaunde] This brings us to another problem. A complete procedural reform of the Civil Procedure Code

has been done in the section on the powers of the magistrates. I think that they have retired the commission that was reforming the Civil Procedure Code. So there is a lack of coherence in some things. But, I repeat, I think that there are also some positive things. The distinction between judicial bodies and governing bodies is positive. The problem is the way that it has been regulated. In practice it is going to be impossible for the Governing Council to discharge the functions for which it has been created. The law is very timid in the area of specialization, for example. The previous drafts called for greater specialization so that there would be judges for action under administrative law, family-court judges, commercial-court judges, etc.

[Normand] I think that the Organic Law of the Judiciary has some sensible things. In fact, it has a good foundation. It is based on a good draft. But it has been "worked on" too much. Some procedural matters have been smuggled into the Organic Law.

[EXPRESO] Such as?

[Normand] Such as the creation of the prior hearing. This prior hearing is a monstrosity. Under this "thing" a prior hearing is called in a trial to evaluate the evidence. If the litigants do not show up, the action is declared abandoned.

[Garcia Sayan] Another point is the possibility of issuing opinions on judicial verdicts. This is a constitutional right and, moreover, it is based on freedom of opinion and expression. The Organic Law provides that the names of the litigants cannot be mentioned, except with written authorization. This limits the possibilities of clearly identifying what verdicts, which are public, you are referring to. The fact that tomorrow a drug trafficker can be shamefully acquitted and you cannot comment on this specific verdict is a horrifying sword of Damocles.

[EXPRESO] Who ultimately proposes amendments to the Organic Law?

[De Belaunde] Apparently the Supreme Court.

[EXPRESO] Only the Supreme Court?

[De Belaunde] The Supreme Court can propose amendments to the Organic Law of the Judiciary.

[EXPRESO] In other words, from now until 5 September the Supreme Court, in the free time that it has after transacting business, can submit amendments to the law...

[De Belaunde] This is quite unique and shows how hastily the law was promulgated. The law says that it can be amended for up to 30 days...

[Normand] I think that there are a number of obscenities in this Organic Law...

[EXPRESO] But is the Organic Law of the Judiciary of any use or isn't it?

[Normand] I would get rid of it completely...

[EXPRESO] It is of no use at all?

[Normand] It is not that it is of no use at all. It has a number of salvageable things. But a thousand things have been smuggled into this law.

[De Belaunde] What has happened is that a number of proposals that are not properly tied together have been adopted. So an Organic Law like this calls for reforms...

[EXPRESO] And its purpose is supposedly to reform the administration of justice...

[De Belaunde] It has to be coherent. And this law is not.

[Normand] Although organic laws in Peru are indeed just laws, they are acknowledged to have special importance. The constitution requires that an organic law be passed by a larger majority. This gives us an idea of how important an organic law ought to be. An Organic Law of the Judiciary has to be the result of a very careful, technical academic screening. A great deal of work was done on the Organic Law draft. Then this legislative authorization was given for the Executive Branch to promulgate it in the middle of the night. And it did so with very little input from people in the Judiciary. They put in a thousand new things and distorted it completely.

[De Belaunde] Illogical things like the system of appointing the chief justice of the Supreme Court. This is a seniority system. There is an election in Lima Superior Court. Why isn't what is good for the Lima court good for the other courts and for the Supreme Court?

[Normand] They went to the extreme of having a seniority system for all courts. Except those with more than 30 members, in other words, the Lima court.

[Garcia Sayan] It would seem as though they were thinking about specific individuals.

[Normand] Specific individuals. In all the other courts strict seniority determines the presiding judge. There is a rotation, but by seniority. In the Lima court a magistrate needs only four years of service to sit as chief justice.

[De Belaunde] I think that the Organic Law represents some progress. But as an organizational tool it is not going to help reform the Judiciary. For a very simple reason. The cornerstone is an organizational structure that works. And this organizational structure has atrophied. Because the distinction between judicial bodies and governing bodies has been completely distorted. If there is no chance for this distinction to operate, then absolutely nothing is going to change.

[Garcia Sayan] The possibility of modernizing the machinery of the judiciary depends on the existence of an efficient administrative apparatus. And this means dedication at the highest levels. It cannot be a marginal administrative apparatus.

[De Belaunde] The point is that the concept of these administrative posts has not changed. The post of chief justice of the Supreme Court is viewed as an honor, not as a position. In order for it to be viewed as a position, it has to be for two or three years, first off. Second, responsibilities have to be defined. The idea of the new Organic Law is to allow everyone to have the honor of being chief justice of the Supreme Court. There could be many people who would be excellent justices but who do not have the ability to be chief justice. I do not know why this law reflects such mistrust of the justices' ability to choose from among their peers.

[Normand] This has really been a very serious problem in choosing the chief justices of the court. This is why I lean ...

[De Belaunde] Towards seniority.

[Normand] Towards seniority. Because the cliques, the favors, the power groups, the...

[Garcia Sayan] ...I think that this would break up if the position were established as a three year one.

[Normand] It has to be for several years. I agree entirely. It definitely has to be for a lengthy term, three years at least.

High-level Commission

[EXPRESO] Is there a chance of making substantive changes in the Organic Law from now until 5 September?

[Garcia Sayan] Very little.

[Normand] This law ought to be repealed, and a "stopgap" one enacted. A law that takes care of certain things that are crying out to be addressed. A commission of very high academic standing ought to be appointed, made up of magistrates, made up of well-qualified people, to propose an Organic Law of the Judiciary, or perhaps to reform this one.

[EXPRESO] And who would it be under?

[Normand] The Supreme Court has the power to initiate legislation.

[De Belaunde] I am going to take up Enrique Normand's proposal, but make it even more radical. I think that we have to appoint a high-level commission or a group to consider a comprehensive reform of the justice system, with one of the tools being an Organic Law. Many things can be salvaged here. But there are so many distortions that it is not useful.

[Normand] This is fundamental. The Organic Law of the Judiciary is one leg of a table whose other legs are too short.

[Garcia Sayan] We already have experience in this connection with the Judicial Reform Commission of 15 years ago. That was interesting. It was a commission consisting of members of the Judiciary...

[De Belaunde] ...I think that it was the most serious attempt to rethink the problems of the judicial system...

[Garcia Sayan] And that's how far it got. It did a lot of studies that are filed away in the cabinets at the Hall of Justice, or "Injustice," and that could be salvaged. I think that this is a very fine proposal. The idea of a group that represents the judicial apparatus but public opinion too. A group with very clear goals that can develop guidelines that before too long will encourage those who have been working on the reform of certain procedural codes (civil and penal). So that these reforms can be implemented by a delegation of powers to the Executive Branch, which is usually the most appropriate method for laws this technical. Especially with a Congress as unruly as the current one.

[Normand] But I think that it could be refined. For example, the number of justices has been increased from 23 to 28. Five special divisions have been created. Some are going to be terribly overworked, while others are not going to have enough of a case load to justify their existence. Through a restructuring, by cutting the number of court justices, the ones who are not discharging a judicial function could be transferred to the oversight and governing bodies. Complemented by other people, complemented by people from academia, complemented by other elements of society. The Supreme Court is never going to work if it keeps the current arrangement.

[De Belaunde] Never.

Tribunal of Constitutional Guarantees

[De Belaunde] There is another issue that has to be reviewed. And oddly enough in this entire critique of the national justice system there is an institution that is being "kept under wraps." The Tribunal of Constitutional Guarantees. No one has said anything about it in this entire broadside against the Judiciary. I think that the Tribunal of Constitutional Guarantees has to be radically rethought. From its functions to how it is appointed and how it rules. This is a fundamental item on the agenda...

[EXPRESO] It has not done anything...

[De Belaunde] Absolutely nothing...

[EXPRESO] I am talking about the Tribunal of Constitutional Guarantees itself...

[De Belaunde] No. It has done absolutely nothing...

[EXPRESO] It has not declared a single law unconstitutional...

[De Belaunde] Not a single one.

[Garcia Sayan] There have been no suits filed to have a law declared unconstitutional. It has not been for lack of material, but rather for lack of resolve.

[De Belaunde] The fact is that there is a group of representatives of the Legislative Branch, another group from the Executive Branch, and another from the Judiciary. And under the system of confirmations that exists, it is highly unlikely that a magistrate who has to be confirmed in his post by the Legislative, Judicial, or Executive branch is going to rule against it.

[Garcia Sayan] And who could be reappointed. This is a serious legal limitation.

[Normand] A good Supreme Court could make decisions on constitutional matters.

[De Belaunde] I am a supporter of the tribunal. For example, in this entire feud before the Supreme Court between the Superintendency of Banks and Insurance and the Comptroller's Office. In other countries, like Spain and Germany, these issues are the province of the Guarantees Tribunal. And I think that the constitution did indeed weaken the tribunal's prospects.

[De Belaunde] I want to do away with "professional mistraining." I think that we are looking at one of the biggest problems of Peruvian democracy. I do not think that any other problem is as important as the administration of justice for making democracy a reality in Peru. Everything goes back to the Judiciary.

[Garcia Sayan] If eight or nine out of ten Peruvians do not believe that the judicial system serves to achieve justice, then something is very wrong.

Uruguay

Gulf Crisis Causes New Fuel Price Hike

PY0310194490 Madrid EFE in Spanish 0659 GMT 2 Oct 90

[Text] Montevideo, 2 Oct (EFE)—The Uruguayan Government today decreed an average 13.5-percent increase in fuel prices. As a consequence, fuel prices have increased by 61.5 percent since 1 September due to the Persian Gulf crisis.

The new prices will take effect at 0000 (0300 GMT) on Wednesday, 3 October.

The previous increase averaged 43 percent, but a new petroleum price increase forced the government to order another adjustment. Uruguay imports all its oil.

As a result of the new adjustment ordered today in Uruguay, a liter of regular gasoline now costs 1,180 pesos ($0.89); that is, 13.46 percent more. A liter of premium gasoline costs 1,280 pesos ($0.96); that is, 13.27 percent more.

The price of gas oil increased by 13.63 percent and now costs 750 pesos per liter ($0.57), and a kilo of cooking gas will cost 1,130 pesos ($0.86).

Iraq's invasion of Kuwait on 2 August, the UN economic embargo on Iraq, and the bellicose climate in the Persian Gulf have seriously harmed the Uruguayan economy.

When the crisis sparked, Uruguay was buying oil from the USSR at $16 per barrel. A few weeks later Uruguay was forced to pay $26 per barrel, and recently it purchased 1 million barrels from Colombia at prices prevailing on the date of shipment.

Uruguayan President Luis Alberto Lacalle has publicly stated that "life is going to become extemely difficult with oil at $38."

Lacalle is visiting the United States. During a meeting with U.S. President George Bush, he discussed the serious problem Uruguay is enduring.

Lacalle told his U.S. counterpart that Uruguay sustained "two punches" as a consequence of the Persian Gulf crisis.

According to Montevideo newpaper correspondents, during the 43-minute meeting with Bush, Lacalle explained the sacrifices Uruguay has to make because of the Persian Gulf crisis.

In addition to the increase in oil prices, Uruguay has lost the important Iraqi market for its mutton production.

Uruguay was unable to ship some 22,000 tons of meat to Iraq due the economic embargo and has lost some $30 million for not being able to honor closed deals.

During a news conference in Montevideo, shortly before leaving for New York, Lacalle said: "This is not a small loss in a market we are beginning to penetrate, a market we need now and in the future."

The new fuel price increase will feed a new inflationary spiral. So far this year, inflation has exceeded 80 percent.

Lacalle Urges OAS To Help Bush Plan

PY0310142090 Madrid EFE in Spanish 2203 GMT 2 Oct 90

[Text] Washington, 2 Oct (EFE)—Uruguayan President Luis Alberto Lacalle today in Washington encouraged the OAS to become a "huge pressure group" in favor of the "Initiative for the Americas" that was proposed by U.S. President George Bush.

Lacalle made a protocol speech before the OAS Permanent Council, during which he emphasized that the "Initiative for the Americas" is now in the hands of the U.S. legislators and that they must be shown its importance "both for them and for Latin America."

Lacalle reiterated the "full support" Uruguay gave the so-called "Bush Plan" right from the beginning, but

regretted that the response it has received has been rather "tepid" because, in his opinion, it should have been "more energetic and expeditious."

Lacalle then said: "When the most important man in the world," when the government with most specific weight on earth, "focus their eyes and attention on Latin America, one must grab both hands," because "one must seize opportunities when they appear."

Lacalle asserted that during his visit to Washington he intends to meet with several U.S. congressmen and to "talk to them clearly" because "the initiative is now in their hands."

The Uruguay president added that he plans to invite his colleagues of the "Group of Rio" (Argentina, Brazil, Colombia, Mexico, Peru, Uruguay, and Venezuela), that will meet in Caracas next week, to "organize a strong Latin American lobby at the U.S. Congress" to explain the importance of approving "Bush's request", a request that Lacalle labeled "historic."

Lacalle said that he believes that Bush's initiative "complements" other Latin American integration processes, such as the one under way among Argentina, Brazil, Paraguay, and Uruguay that are working to establish the "Southern Cone Common Market" (Mecomsur).

Lacalle also said that "far from sensing any opposition, we feel that the integration process and the initiative strengthen each other."

Lacalle said that he does not intend, at least for the time being, to negotiate any bilateral "framework agreement" with the United States because it would mean a "duplication of efforts."

"The important point is that subregions should reach agreements among themselves and relate to the United States," stated Lacalle, who believes that any actions "designed to materialize the Initiative for the Americas are good."

However, Lacalle said he did not see the need for a presidential "summit" as his Honduran counterpart Rafael Leonardo Callejas proposed for 1991 at the OAS last week.

Lacalle reiterated: "Let us not go overboard, because this situation is orchestrated more at the mid-level than at the possible grandiose level of a summit meeting."

Lacalle explained that he does not disagree with his Honduran counterpart but made an appeal to give the "mid-levels" the importance they deserve.

Lacalle then went on to point out that country has suffered "a very serious economic and social blow" due to the Persian Gulf crisis.

He also pointed out that during the next "Group of Rio" meeting in Caracas the possibility of improving the energy situation and discussions on petroleum alternatives, such as through the use of natural gas, will seek to prevent "a surprise repetition of the current crisis."

Lacalle also proposed that the OAS include in its 1991 agenda the task of organizing a "forum of universities" that will create a mechanism for the exchange of knowledge so that, "instead of exporting students, we may import the means for their scientific development."

The president asserted that with electronic technology, the lecture of a professor in any U.S. university could "magically" be heard in Maldonado (Uruguay).

Lacalle added: "We believe that kids should not have to emigrate to be able to have access to the opportunities that exist and, therefore, if we can provide them with the knowledge and the professors, many more will benefit from higher levels of studies."

The Uruguayan president asserted that IDB [Inter-American Development Bank] chairman Enrique Iglesias, who is Uruguayan, has already expressed interest in the project.

Venezuela

* Unemployment Figures Released

90SM0254B Caracas EL UNIVERSAL in Spanish 9 Aug 90 Sec 1, p 28

[Report by T.V.]

[Text] According to results from the Household Sampling Poll taken by the Central Office of Statistics and Information (OCEI), the informal sector of the economy increased its share in terms of the country's total level of employment during the period between the first half of last year and the first half of 1990.

This represents the incorporation into this sector of 217,277 non-professional workers who have been working independently, in small business firms, and in domestic service during the past few months, as a result of the economic difficulties currently besetting the country. According to the OCEI publication, "Work Force Indicators," for the first half of this year, of the total work force employed in the country, 59.2 percent (3,713,856 workers) were associated with the formal sector of the economy, and 40.8 percent (2,561,680) with the informal sector. This last percentage was 38.3 for the first half of last year.

Nevertheless, unemployment also increased during the aforementioned period, rising from 8.7 percent of the country's total work force to 10.9 percent. This means that there are 182,246 new unemployed individuals, representing a total of 766,503 persons unemployed during the first half of this year.

The work force stands at 7,042,039 persons, 89.1 percent of whom, or 6,275,536, are employed. The increase in

employment this year amounted to 160,110 jobs, totaling 342,356 persons in the work force.

The activity rate for this first half was 58.2 percent. This means that out of every 100 persons over age 15 residing in the country, 58 participate in economic activities.

It is within the metropolitan area of Caracas where the largest increase in the work force has occurred, with 33.3 percent; followed by the Andes region, with 18 percent, and the West-Central region, with 15.1 percent. And in all regions of the country there have been increases in unemployment rates, ranging between 3.5 and 0.1. percent. These figures pertain to the northeastern and Guayana regions, respectively. This situation in Guayana, with a lower level of increased unemployment, will unfortunately change to a higher level during the next few months, with the announced lay offs in basic enterprises. There, the current level of unemployment is 6.2 percent, the lowest in the country.

The following areas are below the national average for unemployment (10.9 percent): the metropolitan area of Caracas, with 6.9 percent; the Andes region, with 9.4 percent; the capital region, with 9.6 percent; and the Zulia region, with 10.4 percent. Where the highest level of unemployment occurs is in the northeastern region, with 13.7 percent; followed by the central region, with 12.8 percent; and the western central region, with 12.5 percent.

As for the branches of economic activity, construction presents the highest level of unemployment: 25.2 percent. This is due to the fact that this industry is at a complete standstill, and it is one of the activities usually employing the largest number of persons in the country. It is followed by the manufacturing industries with a level of unemployment at 12.7 percent. The latter, combined with the construction industry, accounts for 38.3 percent of total unemployment in the country: 293,895 individuals without jobs.

Of the total number of new jobs generated during the period, namely 160,110, merchants and related groups absorbed 29.8 percent, with 76,842 new jobs; and the sector comprised of services, sports, and entertainment workers absorbed 29.1 percent, with 75,202 new jobs. The merchants' group registered the lowest unemployment level: 7.3 percent. The groups showing the highest levels of unemployment, even exceeding the national average, are tradesmen and factory workers, with 16.9 percent; and miners and stonecutters, with 16.4 percent.

The country's total employment figure of 79.8 percent for the first half of 1990 was linked to employees of the private sector, with 20.2 percent relating to the public sector. However, this last sector generated 58.9 percent of the 60,110 new jobs produced during the year.

As for the evolution of the work force during the past 23 years, the OCEI publication, "Work Force Indicators," states that, during the first 16 years of that period, unemployment showed relative stability, with slight rate variations averaging about 6.2 percent. It was after 1983 that major changes were observed. During the first half of 1985 the unemployment rate reached its maximum figure: 14 percent; reaching a minimum, 6.9 percent, during the second half of 1988. In other words, within a year and a half the unemployment rate increased 4 percent; and it rose from that figure to 10.9 percent during the first half of this year.

The lowest unemployment rate in the last 23 years, 4.3 percent, occurred in the second half of 1978; and, as was noted previously, the highest, 14 percent, occurred in the first half of 1985.

Suriname

Shankar Claims French Peace Plan 'Unworkable'

FL0410124190 Hilversum International Service in English 1030 GMT 4 Oct 90

[Text] On his return from the United States, President Ramsewak Shankar of Suriname expressed the hope that national reconciliation and peace be achieved by November 25th, Suriname Independence Day. But he said his government had its suspicions about a peace proposal made by the French charge d'affaires in Paramaribo who wants to organize talks between the president, the Army, and the Jungle Commando rebels. The meeting would take place under the auspices of the Organization of American States. President Shankar said the plan was unworkable.